

Purchasing Week

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\$6 A YEAR U.S. \$25 A YEAR
AND CANADA FOREIGN

Steel: High Hopes, Low Stocks, Fast Comeback

F.T.C. Steps Up Robinson-Patman Enforcement Pace

Washington — The Federal Trade Commission souped up its buyer-protection machinery last week with the formation of a "Robinson-Patman Act Task Force."

F.T.C. Chairman Earl W. Kintner, who recently ordered a crackdown on radio and television network advertising, said the new task force has two main functions:

- To find ways to step up F.T.C.'s enforcement of the controversial anti-price discrimination law, and,

- To find methods to "more plainly and forcefully" interpret its requirements to businessmen.

The move is another step in Kintner's campaign to use the arts of persuasion to spread the understanding of the various trade regulation laws which F.T.C. enforces.

Top legal staffers assigned to the "task force" will consider, among other things, whether the commission might obtain more voluntary compliance with the Robinson-Patman Act by issuing staff guides—booklets setting up which practices are legal and which are illegal, based on past F.T.C. cases.

The commission chairman revealed his task force plan while speaking before the 51st annual meeting of the Grocery Manufacturers of America in New York last week. He emphasized that this does not mean the F.T.C. is

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STEEL ROLLS again as workman removes plastic covers from strip steel rolls at U. S. Steel's American Steel & Wire Division in Cleveland.

Everybody's Squeezing in On The Plastic Container Boom

New York—The boom in plastic containers has packaging buyers asking themselves: "Where can I fit in?"

The jump from metal cans and glass jars to plastic bottles accelerated recently with liquid detergent makers. The switch has now touched off a landslide that finds . . .

- Procter & Gamble, Lever Bros., and other large soap-product firms test-marketing other items in plastic containers, such

as bleaches, liquid starches, and bluing compounds.

- Union Carbide working toward plastic container applications for the paint industry, while also studying the carboy market.

- Owens-Illinois Glass Co., a leading U. S. glass bottle and jar maker, building a plant in Toronto, Canada, to produce rigid plastic containers for the growing Canadian markets.

- Hercules Powder Co. developing new machinery for rapid and more efficient production of plastic containers that will make present equipment "obsolete in two to three years."

- American Can Co. working on the problem of lining plastic containers with impermeable material to attract the food and beverage industries.

These rapid-fire developments that highlight the many changes

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This P.A. Doesn't Smile When Called 'Comrade'

Seattle, Wash.—City Purchasing Agent Paul Hendricks, who yields to no man in his devotion to the free enterprise system, no longer smiles when his friends around the County-City Building greet him as "comrade."

The reason: The most recent mailing of the local Communist party was in envelopes which bore the imprint "City of Seattle, Office of the Purchasing Agent." The imprint was on the inside,

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Output Will Soar to 60% of Capacity By Week's End, But Famine Lingers

Pittsburgh—Steel-hungry manufacturers sweated out deliveries of Taft-Hartley metal shipments this week.

The nation's steel industry, with some mills snapping back from the 116-day strike layoff at a faster-than-expected pace, already was making sizable strides in refilling steel supply pipelines.

But the hiatus in union-management negotiations toward a permanent settlement of their contract differences left most top management confused as to what production strategy to adopt during the 80-day period of assured steel production.

PURCHASING WEEK survey of hard-pressed firms in major industrial centers showed that some companies, hopeful of early shipments from mills and warehouses, already had postponed production curtailments which appeared inevitable just before the strike ended ten days ago.

Others, with production supply pipelines near the vanishing point (and admittedly far down in order-list priorities), glumly prepared for the worst—with little steel expected for at least three or four weeks. P.A.'s at small firms said they were "resigned" to auto makers getting a lion's share of first output.

With U. S. Steel, Allegheny-Ludlum, and other top producers reporting far less than expected furnace damage and initial production delays, the steel production outlook over the remainder of the Taft-Hartley period shaped up like this:

- Estimates indicated the industry generally would reach about 60% of capacity by the end of this week.

- Ingot production appeared destined to hit as high as 80% by the end of next week—but with finished shipments lagging accordingly due to the usual necessary finishing procedures.

- Railroad and truckers ap-

(Turn to page 25, column 3)

Industry Marks \$37.3 Billion For Expansion

New York—American industry—given a break in the steel deadlock—is busy cooking up plans for \$37.3 billion in capital outlays in 1960—a 10% boost.

That's the major finding of the new McGraw-Hill survey of top management's plans for the immediate future in modernization and expansion outlays.

- 1960 capital outlays—Manufacturing industry plans to percolate at a higher rate than the over-all 10% boost expected for American industry in general. For manufacturing, the boost will be 19% (see table, p. 4).

- 1960 sales outlook—Companies in every major manufacturing industry expect their sales to be higher in 1960 than in 1959. The average increase expected is 9% in physical volume.

- 1961 capital outlays—Business as a whole already has plans to spend \$34.6 billion in 1961.

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November 16-22

P/W PANORAMA

- A coal comeback is in the making now that steel production has resumed. But here's one industry whose price structure looks firm—that well-known \$5-ton coal tab still holds in spite of increasing demands. (More on p. 3.)

- Thank the discount houses if fewer employees hound you to do their private Xmas shopping this year. But if you can't escape entirely, a P. W. survey on page 24 will show you how your colleagues handle the chore.

- A family plan for surplus disposal has been set up by the Purchasing Agents Assn. of Cleveland: Members now buy and sell among themselves. (More on p. 12.)

- All turkey and no cranberries is saddest of all for the P. A.'s. For when there's a product foul-up—as in the case of cranberries—the P. A. gets involved. More next week in P. W. on your status and rights in embarrassing situations such as the current headline-maker.

- 5¢-a-mile fleet costs look impossible. But Missouri can show you. Its carefully-selected and maintained patrol fleet gets by on 4.6934¢. (More on p. 14.)

Purchasing Perspective

Two Lingerin' Worries
For U. S. Industry

Two skeletons still rattle in industry's closet. One of course, is the steel supply jumble. The second is basic and growing uncertainty about the future course of metals prices.

Industry's nagging worries were clearly visible on several fronts last week:

- Even as mill hands were refiring steel furnaces, price surges were developing in world and local markets for copper. Tin also reacted to the prospect of renewed demand for U. S. tinplate production. And the pinch on copper supplies—already reflected in wire mill shutdowns and various price hikes—will worsen now that steel is available again and American Copper Miners-Smelters show no signs of settling their long walkout.

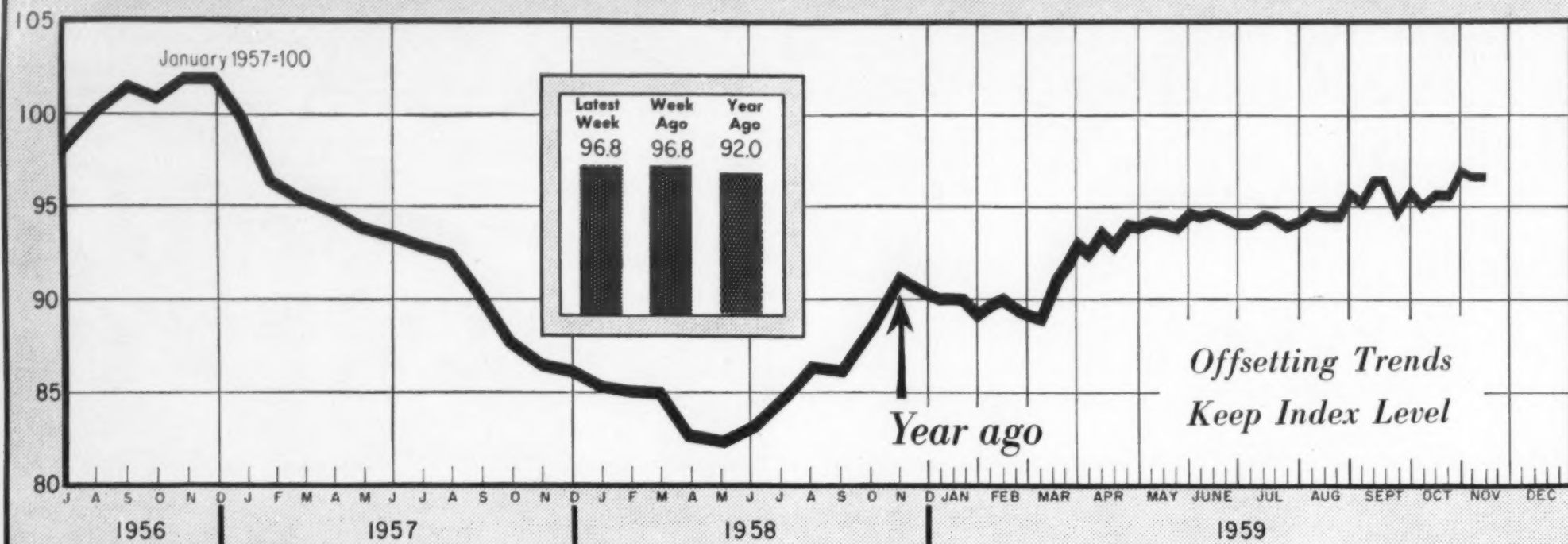
- Various business-industrial leaders reemphasized how closely their own 1960 pricing plans tie in to what happens in steel. One of those who spoke out was General Electric President Robert Paxton, who forecast a good year ahead for business generally but stressed lack of a "magic wand" against inflation. If steel prices go up, he said, so will appliance prices.

Similar indecision was voiced in the can industry. Continental's executive vice president, Lawrence Wilkinson, said his company's

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Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

	Nov. 11	Nov. 4	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton	46.00	46.00	44.50	+ 3.4
Steel scrap, #1 heavy, del. Cleve., gross ton	41.00	41.00	40.00	+ 2.5
Steel scrap, #1 heavy, del. Chicago, gross ton	45.00	45.00	42.50	+ 5.9
Aluminum, pig, lb	.247	.247	.247	0
Secondary aluminum, #380 lb	.238	.238	.218	+ 9.2
Copper, electrolytic, wire bars, refinery, lb	.346	.327	.286	+21.0
Copper scrap, #2, smelters price, lb	.27	.265	.245	+10.2
Lead, common, N.Y., lb	.13	.13	.13	0
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.74	0
Tin, Straits, N.Y., lb	1.018	1.014	.993	+ 2.5
Zinc, Prime West, East St. Louis, lb	.125	.125	.115	+ 8.7
FUELS†				
Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.00	0
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.37	0
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.15	0
Lp-Gas, Propane, Okla. tank cars, gal	.05	.05	.05	0
Gasoline, 91 oct. reg., Chicago, tank car, gal	.115	.115	.113	+ 1.8
Gasoline, 84 oct. reg., Los Angeles, rack, gal	.117	.117	.113	+ 3.5
Kerosene, Gulf, Cargoes, gal	.086	.086	.091	- 5.5
Heating oil #2, Chicago, bulk, gal	.091	.091	.091	0
CHEMICALS				
Ammonia, anhydrous, refrigeration, tanks, ton	88.50	88.50	86.50	+ 2.3
Benzene, petroleum, tanks, Houston, gal	.31	.31	.31	0
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.80	0
Coconut, oil, inedible, crude, tanks, N.Y., lb	.20	.20	.178	+12.4
Glycerine, synthetic, tanks, lb	.293	.293	.278	+ 5.4
Linseed oil, raw, in drums, carlots, lb	.180	.180	.165	+ 9.1
Phthalic anhydride, tanks, lb	.165	.165	.205	-19.5
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.325	+ 7.7
Rosin, W.G. grade, carlots, fob N.Y. cwt	11.50	11.25	9.60	+19.8
Shellac, T.N., N.Y., lb	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y., lb	.064	.065	.083	-22.9
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt	17.20	17.20	17.00	+ 1.2
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt	25.20	25.20	24.20	+ 4.1
Chipboard, del. N.Y., carlots, ton	95.00	95.00	100.00	- 5.0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.25	9.25	9.00	+ 2.8
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle	6.30	6.30	6.40	- 1.6
Old corrugated boxes, dealers, Chicago, ton	19.00	19.00	23.00	-17.1
BUILDING MATERIALS‡				
Cement, Portland, bulk carlots, fob New Orleans, bbl	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl	4.18	4.18	4.14	+ 1.0
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm	125.00	125.00	120.00	+ 4.2
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm	138.00	139.00	129.00	+ 7.0
Douglas fir, 2x4, s4s, carlots, fob Toronto, mftbm	108.00	108.00	109.00	- .9
TEXTILES				
Burlap, 10 oz, 40", N.Y., yd	.103	.104	.108	- 4.6
Cotton middling, 1", N.Y., lb	.327	.327	.364	-10.2
Printcloth, 39", 80x80, N.Y., spot, yd	.218	.208	.177	+23.2
Rayon twill 40 1/2", 92x62, N.Y., yd	.25	.25	.22	+13.6
Wool tops, N.Y., lb	1.58	1.625	1.525	+ 3.6
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.	.205	.235	.19	+ 7.9
Rubber, #1 std ribbed smoked sheets, N.Y., lb.	.438	.435	.324	+35.2

† Source: Petroleum Week ‡ Source: Engineering News-Record

November 16-22

Price Perspective

Congress Can Crack the Whip

Resumption of steel production won't mean any miraculous solution to all your current procurement woes.

On the contrary—in some areas it may very well create almost as many new problems as it solves.

The next few months will be hectic by any standard. First, and most important, spot steel shortages will persist into December.

Secondly, there'll be pressure on prices as raw material demand goes up. And in finished goods, higher priced lines may get priority where only limited supplies are available for production schedules.

There could be some transportation bottlenecks, too.

Finally, there's the threat of new strikes in steel and on the docks. It's a threat that could be translated into higher prices as the 80-day Taft-Hartley injunctions run out.

UPWARD PRICE PRESSURES, stemming from revived post-strike demand, are already filtering through the economy.

Reopening of the mills, for example, has given a sharp push to demand for No. 6 fuel oil (the heavy oil used by industry).

And the reason isn't too hard to find. Steel mills alone use 100,000 or more barrels of this heavy fuel each day. And as more and more steel users resume normal production, the demand will spurt even further.

Upped demand will keep prices in firm to rising trend through winter.

Copper is another material to watch.

Up until now copper buyers have stayed out of the market because they couldn't get needed steel to go with copper. Now with steel becoming available again, copper demand will rise—and at a time when supplies of red metal have been dwindling due to strikes.

Any time you have a situation of rising demand and falling supply in a volatile metal like copper—look out. Already brokers are asking over 40¢ a lb. for copper—27% above the pre-strike 31 1/2¢.

TRANSPORTATION BOTTLENECKS also are a distinct possibility.

First, an early Great Lakes freeze could cut iron ore shipments.

Then there's always the possibility of a freight car shortage as steel production reaches toward capacity. For the fact is that there are actually less serviceable cars in operation today than a year ago.

And this at a time when more and more shippers will be competing for the limited space. In some instances they may be competing with agricultural interests which still need cars to ship late harvests.

Strike-caused delays in needed repairs to older freight cars will only add to the chance of possible shortages.

In a way it's ironical. No sooner do we get rid of production bottlenecks, we run into a distribution snarl.

THREATS OF RENEWED STRIKES also will play a significant role in procurement over the next few months.

As the 80-day cooling off periods in the dock strike (Dec. 27) and the steel strike approach, look for increased uneasiness.

Commodity tags, for example, jumped as the dock strike approached in late September. They'll do the same in December if no agreement is reached.

And the same jitters will be the rule in steel. If another walkout seems imminent, it could result in a "no holds barred" struggle to get what's available. Gray market prices could shoot up again.

One happy thought: Congress will be in session when Taft-Hartley expires on steel. Threat of legislative action could spur settlement.

Industry's Most Stable Price Tag: Coal, \$5/Ton

New York—"I'll say one thing. We're breathing easier."

That's what a coal mine operator told PURCHASING WEEK this week. His sentiments went for the entire coal industry. Three immediate effects of the steel injunction are already clear:

1. Output will jump at least 1½-million tons a week.
2. Laid-off miners will return to the mine.
3. Prices won't go up until early 1960 (if then).

Odds are that coal tags will remain steady in an industry long accustomed to stability. Coal has been wed to a \$5-a-ton price for many years despite sharp fluctuations in production. And this level promises to continue.

Steel Strike Quavers

Some of the sharp fluctuations in production occurred this year because of the steel strike. Next to utilities steel is coal's biggest customer. In the whole economy no single industry was so directly tied to the steel strike as coal.

Before the strike, coal production was expected to reach 450 million tons. Now estimates have been revised steeply downwards to below last year's 410-million ton output.

The chart above, right, clearly tells the story. For the first 6 months of 1959 coal production averaged about 107,000 tons a day more than for 1958. Since the strike, production sank to some 140,000 tons a day less than in the comparable period last year.

Off 14%

In August and September, for example, coal consumption declined almost 14% from last year's same-period level. And this despite a 9½% gain in electric power utilities' consumption and a plus 6% for cement mills.

The reason for the drop was just what you'd expect—a 53% cut in steel's consumption of coal, and a 35% decline for the steel-slowed railroads.

These minuses would have been pluses if it weren't for the steel strike. A year-to-date total gain that had been running at 6½%, and increasing, has been changed now to a deficit of almost 2%.

Loss in Europe

Another development that is holding down 1959 production is the loss of a large part of our European market for coal. A surplus coal situation in Western Europe caused the European Coal and Steel Community (West Germany, France, Italy, Netherlands, Belgium and Luxembourg) to clamp down on imports.

All the figures aren't in yet, but we may have lost 15 million of last year's 32 million tons exported to this area. And, in the long run, oil and gas competition from the Sahara will probably keep coal from regaining.

But domestic demand—now that the steel strike has been enjoined—will boom coal production to over 9 million tons a week from its recent 7.7 million tons a week average. Still there doesn't seem to be enough time left to attain last year's output.

However, new railroad labor contracts are under strident negotiations. Coal consumers, fearing a strike, may stockpile coal to avoid being caught short.

In that case 1959 could pull even with 1958.

For 1960, the prospects look bright. Steel catch-up and the resultant business boom will lift coal production far above either of the previous two years.

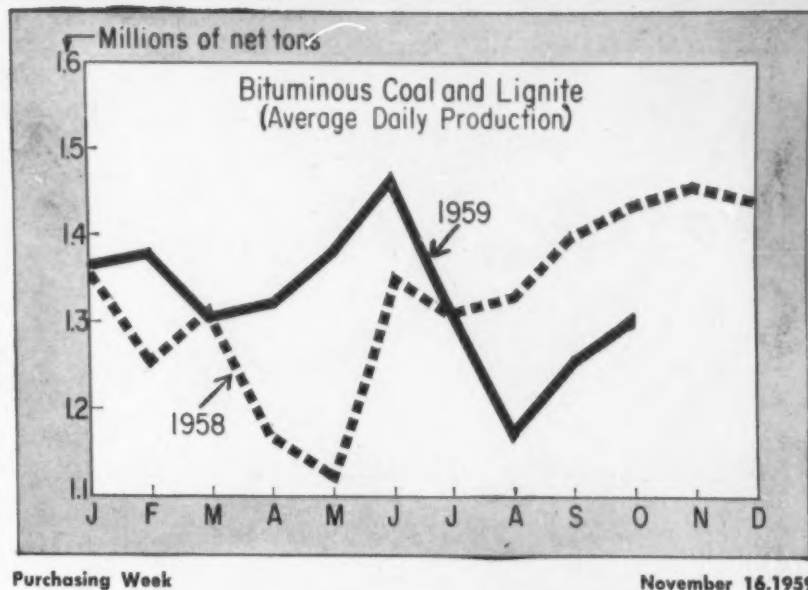
The most conservative estimate for 1960 is 430 million tons. If business activity continues high after the first 6 months, this figure is sure to be revised upward.

One possible bottleneck—transportation—may hamper coal production in early 1960. The

Great Lakes shipping season will probably freeze to an end by mid-December. Enough iron ore has to be shipped by that time to keep steel mills operating till spring.

If this isn't accomplished—and the shipping companies are already in high gear—then iron ore will have to be shipped by rail. This would limit the facilities available for coal.

In spite of loss of export markets and steel strike repercussions, the coal industry is in its best position in years



Big Hit for Decca -- DARINA

Decca Records, Pinckneyville, Illinois uses Shell Darina Grease 2 for the entire plant's grease lubrication.

When Decca Records opened its Pinckneyville plant late in 1957, it required a high-temperature grease for the hot plasticizing mills. After testing many greases under actual plant conditions, Shell Darina Grease 2 was selected. In fact, Darina® proved so successful in its original application that Decca now uses it throughout the plant.

Darina Grease 2 is a premium-quality, multi-purpose grease with exceptional stability in extended high-temperature applications. It offers

excellent resistance to corrosion and oxidation. It gives outstanding performance (compared with conventional soap-type greases) for long-time wet or dry applications at temperatures as high as 350° F.

For complete data on Darina Grease, write Shell Oil Company, 50 West 50th Street, New York 20, New York, or 100 Bush Street, San Francisco 6, California. In Canada: Shell Oil Company of Canada, Limited, 505 University Avenue, Toronto 2, Ontario.

SHELL DARINA GREASE

the multi-purpose, high-temperature grease



Washington Perspective

Growth Vs. Inflation:
Rocky Enters the Ring

Lower prices on foreign imports will be coming out of negotiations now getting underway in Washington.

The President's trade agreements committee is now drawing up recommendations for tariff cuts on many items.

Further negotiations will take place within the Administration before a list is drawn up and submitted to the Tariff Commission for public hearings next year.

Actual reductions in import duties won't be fixed until 1961. At that time, the list will be presented to other member nations adhering to the general agreement on tariffs and trade (G.A.T.T.).

In return for the concessions, the U. S. will ask for reciprocal tariff reductions on many U. S.-produced goods going abroad.

The U. S. is certain to turn the pressure on to get its lists accepted. The matter ties in directly with U. S. efforts to close the dollar gap in the U. S. international balance of payments.

Failure of European and other foreign nations to go along could provoke drastic reductions in U. S. foreign aid and prompt greater agitation of U. S. protectionists to up domestic tariffs.

Gov. Nelson Rockefeller challenges Vice President Nixon on the inflation versus economic growth issue, an area that Nixon has staked out as his own.

Rockefeller in a New York speech last week came down squarely on the side of those calling for a stepped up rate of U. S. growth to match Russian productiveness.

Nixon also wants to encourage economic expansion, but he is tied to the more cautious approach of the Administration. President Eisenhower and other Administration officials regard inflation as the major concern and give this a higher priority than encouraging expansion.

The issue will be debated between Rockefeller and Nixon more thoroughly when the governor makes his bid for the Republican presidential nomination, as he is widely expected to.

Rockefeller also tries to draw the distinction between the two more clearly with his proposal to halt any further reduction of workweek as the basic way to step up output. Nixon in the 1956 presidential campaign called for a 32-hour workweek, though he was forced to drop this idea by G.O.P. higher ups.

You can get a better estimate of what to expect on Russian growth from hearings being held this week by the Joint Congressional Economic Committee.

The committee is wrapping up a big study on a comparison of the U. S. and Russian economies that will figure in U. S. policy making. The conclusions of the three dozen experts who appeared before the group:

- The Soviet economy is stronger than has been realized.
- It is just now beginning to run into the problems that the more mature and complex U. S. economy has already met.
- Russian growth in the next decade will gain over the U. S., though the gains will be coming harder and the rate of expansion slowing.

Evidence that the U. S. economy still has the basic strength to carry forward despite the steel strike comes from the Commerce Department.

The department reports sales of all goods at retail increased by 3% in October over September. Durable goods sales jumped 9%, while soft goods declined slightly.

Further increases are expected for this month as the economy begins rolling again following reopening of the steel mills.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,300	368*	2,011
Autos, units	65,369	101,616*	125,279
Trucks, units	14,079	16,185*	24,838
Crude runs, thous bbl, daily aver	7,681	7,491	7,686
Distillate fuel oil, thous bbl	12,083	11,849	12,352
Residual fuel oil, thous bbl	6,086	6,279	5,849
Gasoline, thous bbl	27,575	27,239	27,654
Petroleum refineries operating rate, %	79.2	77.2	82.3
Container board, tons	168,119	177,086	168,779
Boxboard, tons	151,358	155,217	149,028
Paper operating rate, %	95.7	96.8*	91.9
Lumber, thous of board ft	256,037	258,824	252,903
Bituminous coal, daily aver thous tons	1,344	1,350*	1,423
Electric power, million kilowatt hours	13,019	12,978	12,311
Eng const awards, mil \$ Eng News-Rec	444.3	251.9	374.3

* Revised

Industry's Capital Spending Plans

Industry	1958 Actual*	1959 Estimated*	1960 Planned	1959-60 Percent Change	1961 Planned
Iron & Steel	\$1,217	\$ 949	\$1,670	+76%	\$1,169
Nonferrous Metals	510	347	357	+ 3	350
Machinery	915	951	1,161	+22	1,129
Electrical Machinery	459	477	582	+22	559
Autos, Trucks & Parts	558	647	841	+30	791
Transportation Equip.	370	363	399	+10	359
Other Metalworking	723	880	875	- 1	844
Chemicals	1,320	1,188	1,473	+24	1,502
Paper & Pulp	578	613	828	+35	704
Rubber	134	178	233	+31	247
Stone, Clay & Glass	399	542	603	+11	594
Petroleum Refining	665	692	754	+ 9	814
Food & Beverages	742	794	783	- 1	737
Textiles	288	343	361	+ 5	350
Miscellaneous Manuf'g	883	1,061	1,037	- 2	1,022
(All Manufacturing)	9,761	10,025	11,957	+19	11,171

* U. S. Department of Commerce, Securities and Exchange Commission, McGraw-Hill Department of Economics

Industry Plans Call for a Whopping \$37.3 Billion Capital Outlay for '60

(Continued from page 1)

These are preliminary plans. Previous experience indicates that such preliminary plans are often revised upward as final budgets are completed.

• **1959 results**—Capital expenditures for 1959 are down significantly from the plans indicated in the McGraw-Hill survey last spring. That's because many firms were unable to spend all they had planned due to steel shortages.

• **Financing**—Business now plans to raise over \$6 billion in the money market to finance 1960 capital expenditures. But over 80% of the financing—as planned by the reporting companies—will come from retained earnings and depreciation. Manufacturing companies expect to finance nearly all their planned expenditures from these internal sources.

This autumn survey of business plans reflects preliminary planning at the start of the budget season. And this year such plans are, in some cases, quite tentative because of steel shortages and uncertain construction schedules.

In times of good business, final budgets for plant and equipment have generally turned out higher than the preliminary estimates. So there is a good chance that both 1960 and 1961 will show larger increases over 1959 than are now planned.

MANUFACTURING

A breakdown on how 1960 shapes up for manufacturing industries is shown in the table above.

Biggest improvement next year (76%) is expected by the steel industry. One reason: Management is anxious to make up for delayed modernization during the strike-ridden second half of this year.

Steel companies want to complete their extensive modernization programs as quickly as possible.

Looking at other industries, chemical and machinery firms plan to spend well over \$1 billion on new facilities in 1960 and 1961. The chemical industry, which will have spent \$1.2 billion in 1959, plans to increase expenditures 24% in 1960, and already

has plans for an additional 2% increase in 1961. The machinery industry now plans to spend \$1.2 billion in 1960, and nearly the same amount in 1961.

Electrical machinery companies; the autos, trucks, and parts industry; and the paper and pulp and rubber manufacturing industries all plan gains of more than 20% in expenditures in 1960 over 1959.

In each of these industries, except for rubber manufacturing, estimates of capital expenditures for 1959 are now lower than was indicated in the McGraw-Hill survey last spring. It indicates that those expenditures for new facilities that couldn't be carried out this year because of strikes, or uncertainties, are being pushed forward into 1960.

Only food, other metalworking (fabricated metals and instruments), and the "miscellaneous manufacturing" group expect lower capital expenditures in 1960 than in 1959.

NONMANUFACTURING INDUSTRIES

The 1960 plans of most non-manufacturing industries are up from 1959 by varying amounts. But in most cases, the planned increases are smaller than in manufacturing.

The petroleum industry plans to spend slightly less than it will in 1959. Production expenditures show a planned decline of 4% in 1960, while refining is up 9% and marketing is up 7%. Mining companies, on the average, also indicate a decline in expenditures next year. In this group, only iron ore companies plan to increase spending in 1960 the survey shows.

The other transportation (airlines, shipping, buses and trucking) and communications industries plan an increase of 14% in spending next year. Commercial companies report a record amount planned for 1960—\$8.6 billion compared with \$7.9 billion in 1959 and \$8.2 billion in 1956, the previous peak.

Electric and gas utilities indicate that they plan to spend \$6.1 billion in 1960—3% more than this year and only slightly below the record amount spent in 1957.

SALES IN MANUFACTURING

Business' plans for higher capital expenditures in 1960 are supported by optimistic sales estimates—9% higher than 1959 for unit sales in manufacturing as a whole.

Every major industry within manufacturing anticipates higher sales next year. The largest increase in sales volume is predicted by the steel industry—up 25% from 1959. The anticipated higher sales volume presumably reflects a large inventory build-up in 1960, as steel users replenish stocks drawn down in 1959.

The auto, trucks, and parts industry expects sales to increase 15% in physical volume next year. Auto manufacturers, who have been forced to shut down due to steel shortages—and consequently, will suffer some loss of sales to dealers this year—expect to make up this deferred demand in 1960 with a bumper sales year.

Both the machinery and the electrical machinery industries expect an above-average increase in sales volume. Sales gains of 11% are anticipated in both industries. Other manufacturing industries indicate a wide range of sales expectations, from the low of 3% in petroleum refining to 9% anticipated in the chemical industry.

FINANCING EXPENDITURES

Companies reporting their financing plans in this survey indicate that over \$6 billion will be needed from external sources to finance 1960 capital expenditures—about \$500 million more than they will obtain from external sources in 1959. (This is not an estimate of total new security issues, which include funds raised for working capital.)

However, more than 80% of the funds required for capital spending are expected to come from internal sources—retained earnings, depreciation and depletion allowances. This is a high degree of reliance on internal financing, even allowing for the fact that preliminary financial plans often underestimate the eventual need for public security issues.

Convair Orders Spare Parts Fast

San Diego—A jet age system of ordering spare parts has been put into effect at Convair—the first and most elaborate such system in the aircraft industry, company officials say.

The system, which will permit routine purchase orders to be processed in 15-20% of the time formerly required, took about two years to develop.

It employs a punched card communications arrangement between airlines and Convair-San Diego, and a transceiver system that duplicates the cards almost instantaneously by distribution to the Convair departments concerned.

In Use for Jet Liners

John Doig, chief of service parts, said the program now is in operation for the 880 and 600 jet liners and will be extended to handle parts processing for the twin-engine Convairliners that the company produced here for more than ten years.

More than 12,000 different spare items for Trans World and Delta airlines, first two 880 customers, have been ordered or are being maintained.

Jet age speed in ordering parts is necessary because a small item can ground a \$4-million plane, Harole Wolfe, general supervisor of service parts, explained. He said an order from an airline operator now can be expedited in less than 12 hr. after receipt of the request.

Evolved from Standard

The unique system evolved from a standard established by the Air Transport Association to speed parts procurement. It is adaptable throughout the aerospace industry and in other fields where high speed quantity parts ordering is a necessity. The Convair system conforms to three basic criteria:

- All required information must be presented in mechanically reproducible form.
- All forms must comply with A.T.A. specifications.
- All documents must be suitable for manual and machine handling.

For example, a card is received

Union Carbide Finds Greater Application For Vinyl Coatings

Atlantic City, N. J.—Significant developments in research now are permitting wider application of vinyl dispersion coatings in industry, according to Union Carbide Plastics Co.

Speaking at the annual Paint Industries Show here, the company's market manager, H. W. Greenhood, said many processors now are coating flat steel with vinyl dispersions before fabrication. With the new resins, he said, plate can be bent as much as 180 deg. without impairment of the coating.

In addition, Greenhood said, new systems have been developed which allow direct application of resins to rusty surfaces after simple wire brushing, thus eliminating expensive and time-consuming sand blasting operations.

at the service parts section of Convair-San Diego from an airline. Punched holes on the I.B.M. card give the exact information needed to fill the order.

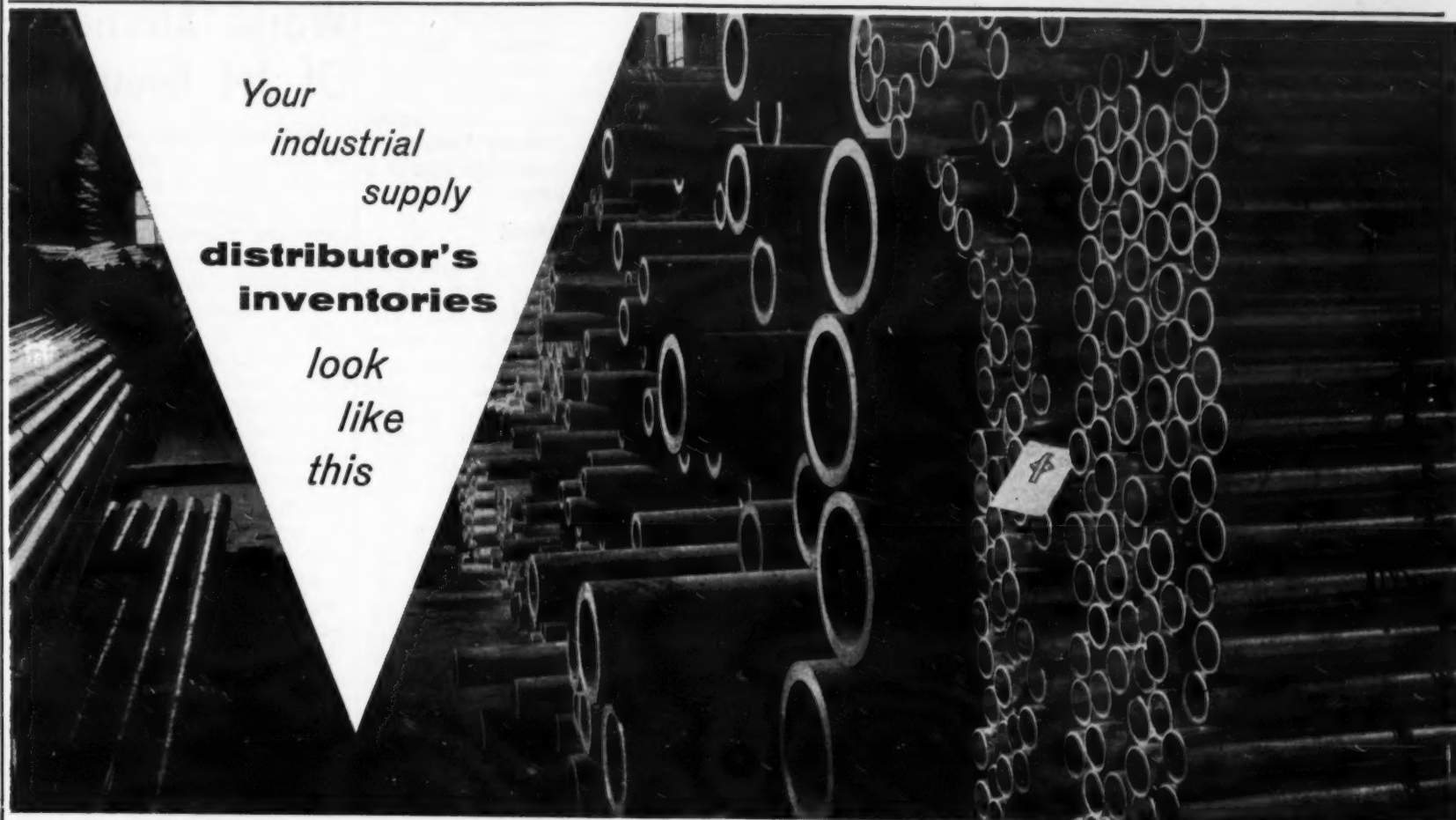
The card then is placed on an I.B.M. machine which is connected with two other machines at warehouse and supply points. Every component of the jet liner, available from Convair or an independent vendor, is represented by a card in three provisioning decks.

The sequence of parts procurement involves utilization of coded

engineering drawings in the form of microfilm transparencies. Individual foils are I.B.M.-card sized and key punched.

Order, procurement, and control cards are matched electronically for the most part to insure direct work flow, uniform paper work, and prompt fulfillment of orders—the benefits of the system.

JET-SPEED PROCESSING of initial spare parts orders for Convair's 880 and 600 jetliners is given the once-over by sales officials.



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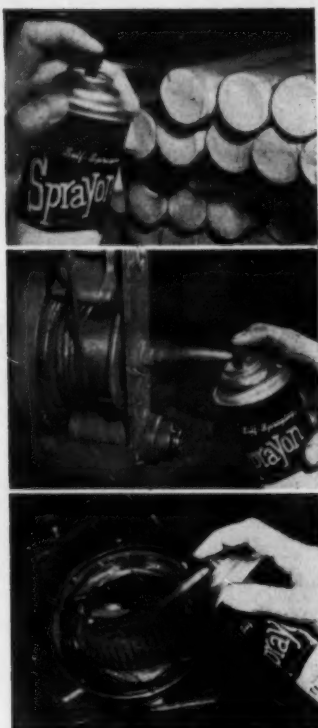
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'FLYING PLATFORM,' developed by Curtiss-Wright for cargo and troop carrying in the Army Transportation Corps, combines characteristics of jeep and helicopter. The low-cost vehicle takes off vertically, is maneuverable enough to hide under trees. Possible civilian uses, say Curtiss-Wright, include forestry, conservation, exploration and survey, power-line and watershed surveillance, and rescue work.



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'Never Has So Much Attention Been Paid to So Little,' Expert Says of Ivan's Pig Iron Deal

Washington—Official reaction to reports of a recent import shipment of Russian pig iron points up how sensitive a topic East-West trade has become in Washington. In the words of one trade analyst: "Never has so much attention been paid to so little."

The latest Russian import shipment consisted of 3,000 metric tons of relatively low-grade pig iron, ordered by Primary Industries—a New York brokerage firm—through the Canadian St. Lawrence Seaway. Unofficially, government men call the deal a shrewd hedge against pending steel strike shortages by Primary Industries. They say the brokerage firm is a reputable company.

Destined for Detroit

The shipment was destined for Detroit, presumably for sale to automotive manufacturers. Because the tonnage was too heavy for the waterway, 440 tons was off-loaded at Montreal and sold to American Standard Co. in Buffalo. The remainder went to Detroit, where so far the only sale has been 600 tons to the Budd Co., body builder.

The price to customers is approximately \$59 per ton, not unduly low according to officials who say that for comparison purposes the average U. S. price of \$66 does not take into account that the Russian pig is of low grade. The Russian iron paid full duty of \$1.125 per ton, as compared to most-favored-nation tariffs of 30-60¢ levied on members of the General Agreement on Tariffs and Trade.

Protests Stir Interest

The only reason government officials got interested in the transaction at all, they say, is because of strong protests lodged with the Commerce Department by Sen. Vance Hartke (D., Ind.). As far as Washington officials are concerned, the shipment is another in a long series of sporadic Russian imports, which have previously included some pig iron, and is of no great significance to over-all East-West trade

Chrysler Explores Plan To Enter Car Financing

Detroit — New departments have been set up by Chrysler Corp. to make detailed studies of dealer and customer financing needs, with an eye on eventually entering the car financing field.

V. J. Nichols, group vice president of Chrysler's automotive sales, told a group of banking executives recently that: "We are exploring the problems of entering the finance business should it become necessary to do so."

Chrysler first intimated a possible move into car financing earlier this year when it told a Senate antitrust subcommittee it hoped it wouldn't be prevented from making this move by law.

General Motors Corp. has its own financing subsidiary, General Motors Acceptance Corp. Ford Motor Co. recently announced it is proceeding with plans to set up a sales financing arm.

volume or long range trade policy.

Commenting on the controversial purchase, a spokesman for the Budd Co. said it had received "no adverse reaction" from any of its customers concerning the transaction.

"Our purchasing chief said the chemistry of the metal was as good as domestic, and the price was attractive," he explained. "We bought a little less than a week's supply."

Asked if the company would continue buying Iron Curtain iron, the spokesman said no decision had been reached on that point. "We're going to try it out first," he said.

An official of American Standard commented that "the price quoted was favorable, so we bought the iron. This was not a planned purchase, but a spot buy to take advantage of an unusual circumstance."

World Airlines' Plan Pools Buying Of Jet Ground Support Equipment

Pasadena, Calif.—The start of an advanced economy plan for world airlines to standardize and buy jet ground support equipment on a common pool basis already has saved 15 major carriers \$200,000.

The unique procurement plan, which is still in its initial stages, was conceived by Air Logistics Corp. here after thorough investigation of equipment needs.

Discussing the successful application of the common buying program, Dr. Charles J. Breitwieser, vice president-engineering and sales for Air Logistics, said his company had conducted a survey among domestic and foreign jet air carriers and found there were common areas where identical equipment might be used.

"We found that if the airlines could consolidate their orders in a given period we could integrate them into our current production," he explained, "thus fabricate in large quantities and pass on to them savings in the purchase of materials or in labor costs."

The company submitted the plan to airline executives following a meeting of the International

Air Transport Association in San Francisco earlier this year. The airlines that "bought" the idea include:

Air France, American Airlines, Braniff Airlines, Delta Airlines, Eastern Airlines, Japanese Airlines, KLM, Lufthansa, National Airlines, Pan American Airlines, Philippine Airlines, S. A. S., South African Airways, Swiss Air, and Trans Canada Airlines.

The program already has achieved a cost savings of 20% for those participating, according to Air Logistics.

The increased standardization also has improved the operating capabilities of the airlines, Breitwieser said. He noted that the training time of ground personnel has been reduced and the interchangeable equipment can render emergency service between jet carriers.

"As the air carriers are making tremendous capital investments in jet aircraft and supporting equipment as they change over to the newly inaugurated jet age," the Air Logistics executive added, "every assistance should be offered them that will produce economies."

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Amoco Wins N. Y. State Gas Okay

Albany, N. Y.—State purchasing director, Douglas C. Coupe, has handed the American Oil Co. top preference in state gasoline purchases in return for saving "considerably in excess of \$100,000 a year."

In exchange for a 1½¢-a-gal. discount, Coupe has ordered drivers of the state's 3,000 motor vehicles to buy only Amoco, or pay for another brand out of their own pockets.

A spokesman for the purchasing division said at least four other companies—Shell, Gulf, Socony Mobile, and Esso—were sounded out on the dis-

count, but declined an offer. The spokesman added, however, that "we seriously doubt the others will let Amoco have the monopoly for long."

Normally, each state car carries a gasoline credit card including a half-dozen brands. Now, however, all drivers must obtain Amoco credit cards and, according to Coupe's order, "confine their purchases to stations selling American Oil Co. products."

Asked about a driver using the Thruway, the purchasing director said the ruling would not

hold here because no Amoco stations are on the main line of the Thruway.

Coupe emphasized that a charge made for any gasoline other than Amoco would not be honored by the State Controller unless accompanied by "an acceptable explanation from the driver."

His order stipulates that "operators of state-owned vehicles who henceforth purchase gasoline from other than Amoco stations without justification will be held personally responsible for the payment of such accounts."

Stores Section Called on Carpet

Olympia, Wash.—The central stores section of the Washington State purchasing division has been called on the carpet for delays in replacing out-of-stock supplies to state agencies.

Examiners for State Auditor Clifford Yelle say that requisition procedures now take from 60 to 90 days, whereas they should take no more than 5 to 10 days for ordinary store items, and 20 to 30 days for furniture.

Cause of the delays, according to the examiners, is that John McMonagle, central stores manager, must spend up to 90% of

his time on other duties in the purchasing division. He also must obtain purchase authority from division officials and call for competitive bids.

As a solution, the examiners suggest that McMonagle be given full authority to purchase for central stores and that he be assigned full-time duties in this section.

Robert Nesbit, purchasing supervisor, contends that the alleged delays have been exceptions rather than the rule. He also questions the feasibility of the examiners' suggestions.

L. A. Water & Power Honors Marcel Millot After 41-Year Hitch

Los Angeles—Marcel "Mike" Millot, purchasing agent of the Los Angeles Department of Water & Power for the last 41 years, retired last week—with \$450 million of purchases to his credit.

Millot, 59, started with the department as a clerk in 1918. He has worked in the purchasing field during all of his career service here.

The almost half billion dollars of purchases he has been responsible for included everything from paper clips to giant generators costing \$9,260,000 for installation in the Department of Water & Power's Haynes steam plant, now under construction.

Discussing some of the odd buys he has made during his long career, Millot said the most unusual was when he was asked to purchase 100,000 ladybugs to protect plants at one of the department's reservoirs.

Honoring Millot upon his retirement, the Board of Water & Power Commissioners adopted a resolution of commendation which read in part:

"Mr. Millot's integrity in the field of public purchasing has gained him much respect and has rebounded to the credit of the department."

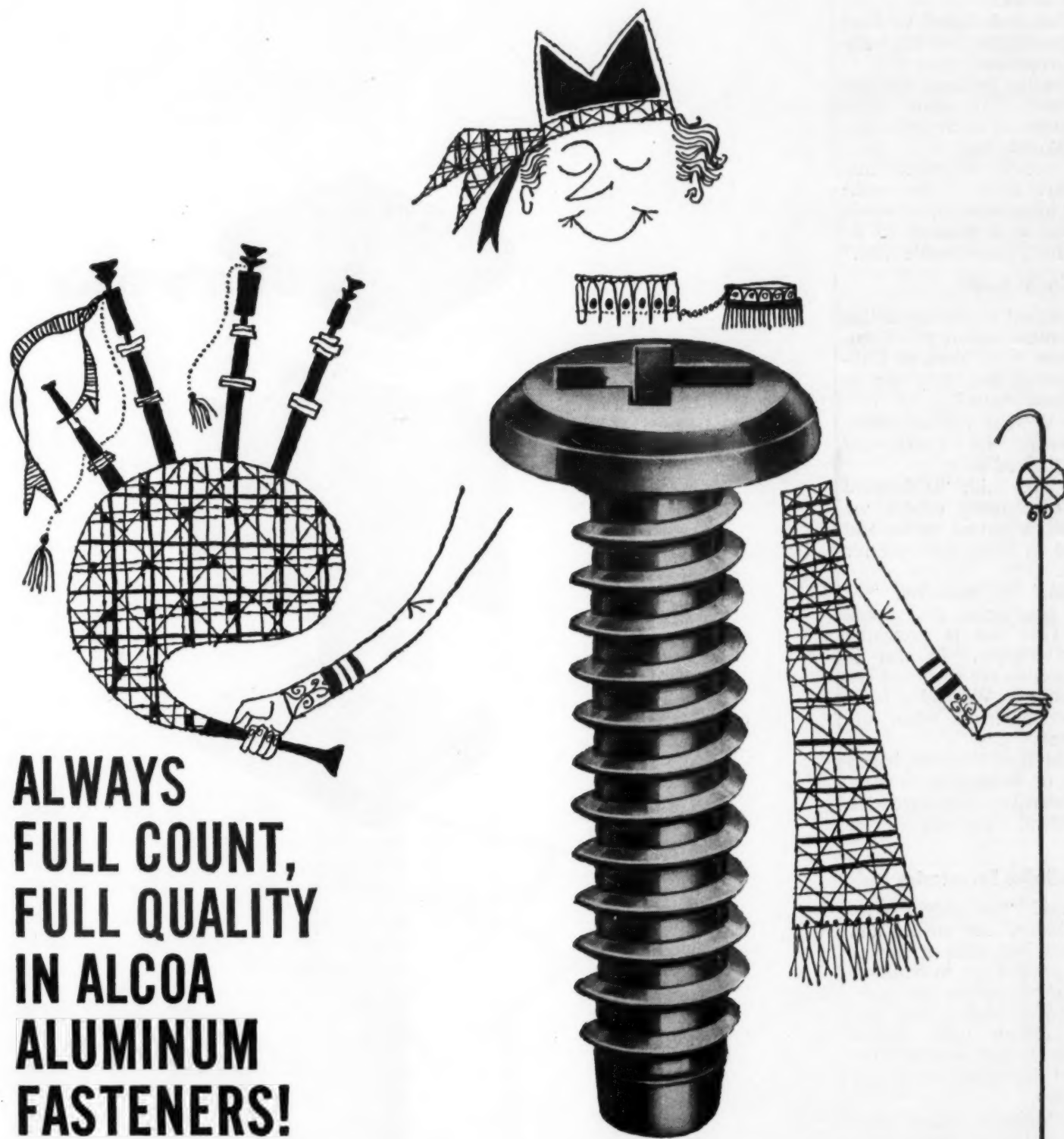
New Mexico Rephrases Its Bidding Policy

Santa Fe, N. M.—The attorney general's office has ruled that requirements of the state's bidding procedures on purchasing must be adhered to on everything but "personal services."

Boston E. Witt, assistant attorney general, cited a California Supreme Court interpretation of "personal services" as compared with "services."

He said general services may be rendered through the actual labor performed by employees and by means of machinery. Personal services are those performed by the individual himself, such as a doctor or lawyer.

Under the law, "personal services" would tend to put the emphasis on the personality. A particular lawyer or a particular doctor might be needed to do a particular job for the state; but when it comes to a floor waxing job where the personality or special personal knowledge of the one performing the job is not important, the service would be classed simply as "service."



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'Business as Usual' Despite Shortage Of Steel Say Office Machine Makers

Pre-Strike Stockpiles Plus Large Inventories Of Finished Products Keep the Industry Rolling

New York—It has been (and will continue to be) business as usual for most of the business machine industry despite the effects of the long steel strike.

Office equipment makers told PURCHASING WEEK they will roll along fairly free of problems as far ahead as the first quarter of 1960, thanks to:

- Heavy pre-strike stockpiling of steel.

- Large inventories of finished products on hand at the start of the steel strike.

- Cutbacks designed to keep current production moving without interruption.

One leading business-machine maker said: "We know these strikes come up fairly regularly. We've geared our entire purchasing policy to meet that eventuality. Even if this strike had been unannounced, we would have been in a position to do business for a considerable time."

'Pretty Good' Shape

This seemed to sum up feeling of the entire industry. Companies from New York to California agreed that they are in "pretty good shape."

L. C. Bowen, vice-president-manufacturing for Underwood Corp., explained why:

"First," he said, "is forward buying. Like many others, we anticipated a serious strike and purchased in large amounts for inventory."

"Second," he went on, "we have cut production during this period. This also is stretching our steel supply. It also is helping to conserve cash and reduce inventory. We had a large inventory on hand when the strike began."

Royal McBee, however, hasn't "cut back on production or sales at all," according to its executive vice-president, Fortune Peter Ryan.

Deep Pre-Strike Inventories

Ryan said, "we bought a lot of steel before the strike, and some more just after it began. We're in good shape to continue our normal production and sales."

Both Royal McBee and Underwood (along with Smith-Corona) said they wouldn't begin to feel any pinch until well into January.

In the Midwest, where steel supplies are tightest, Comptometer Corp. told PURCHASING WEEK it had so much steel on hand it was able to sell off 100 tons of cold rolled sheet and bars.

With its present steel inventories, Comptometer reports it can go into January before worrying and into February or March before starting to hurt.

Burroughs Corp., in Detroit, actually has increased production although, a company spokesman admitted, "the situation is tight with us, as it is everywhere."

Burroughs made key scheduling changes as a result of the strike. For example, the company now is running off adding machine gears for 30 to 60 day periods instead of the normal five to six months.

Burroughs also was able to

locate Canadian steel supplies to complement material being shipped over from its English subsidiary.

Brightest picture comes from California where Friden, Inc., has introduced three new models of office machinery. They have accelerated production rate, "up about as far as we can get them."

Pentagon Sifts Through TV Auction Results To Determine Whether Device Will Be S.O.P.

Washington—The Pentagon is analyzing results of the recent closed-circuit television auction of surplus military equipment to determine whether televised sales will be made a regular method of surplus disposal.

Lt. Col. John F. Rey, chief of the Defense Department's surplus disposal branch, says he is impressed by the scheme's potential in drawing in more bidders and in boosting the government's return on such sales. But he says that plans for further use of closed-circuit TV auctions are

still indefinite and very unsettled.

Closed-circuit television was used for the first time to push sales of military equipment on Oct. 7. Surplus clothing, heavy construction machinery, road building equipment, generators, trailers, machine tools, and general engineer supplies with an original acquisition value totaling \$2.6 million were put on the block (see P.W., Oct. 12, '59, p. 1).

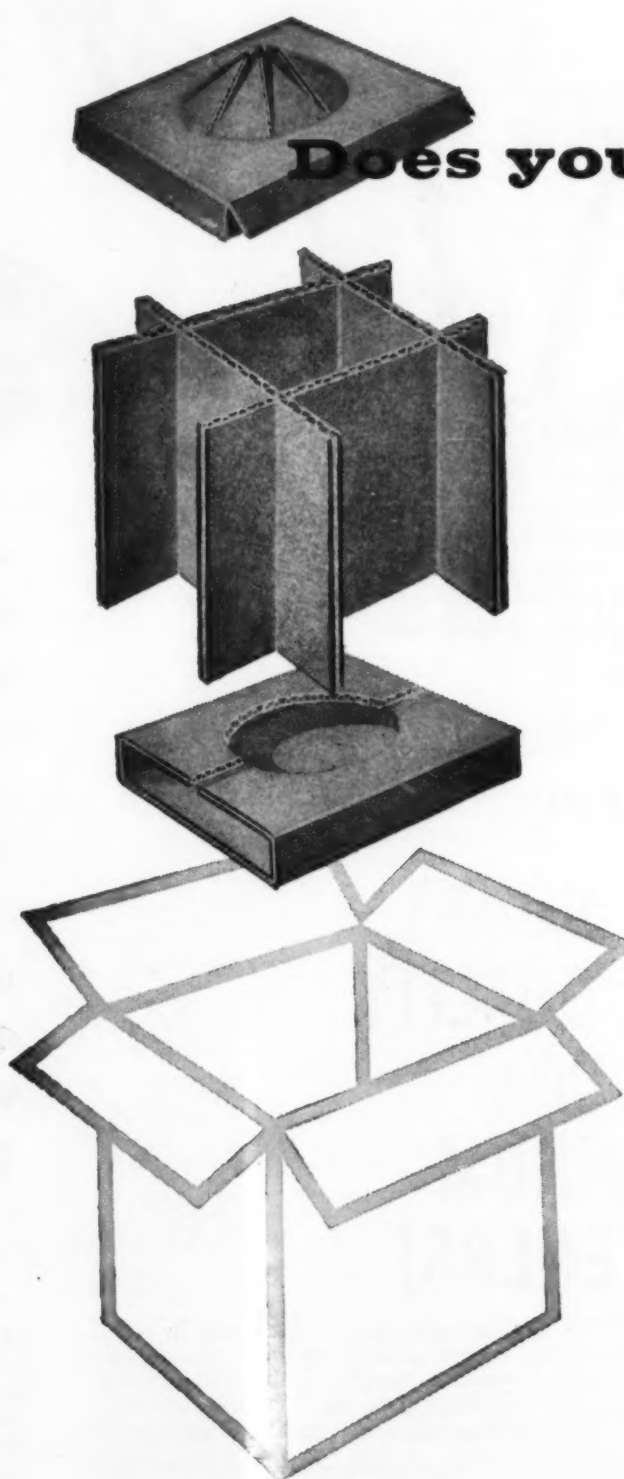
The equipment was displayed at the Army's Granite City, Ill., engineer depot, the Air Force's Shelby, Ohio depot, and the

Navy's Philadelphia, Pa. shipyard. Prospective buyers viewed the sales on large-screen televisions and offered bids in Boston, Mass., New York, N. Y., Philadelphia, Pa., Columbus, Ohio, Chicago, Ill., and St. Louis, Mo.

The Defense Department's receipts on the sale amounted to \$534,555. This is a return of 20.4% on the original cost. In sales of similar merchandise under conventional auction methods, the military's return has come to 16%.

But the higher return on the televised sales was pretty much offset, Rey says, by the \$85,000 cost of hiring the TV facilities.

What you should know about



Does your corrugated box

For most products, proper interior packing is one of the most important factors in corrugated container design. Through its careful selection you can often prevent a costly chain reaction of damage claims and rejected shipments.

How much and which types to use will depend primarily on your product, its construction, how it is normally handled and shipped as well as the type of protection needed. You may find, for example, that *anchoring* the contents is paramount. Some packing pieces are made expressly for this purpose. Others *cushion* against impact and vibration. Still others are used to *separate* packed units. A fourth groups primary job is to *suspend* the contents within the container.

The forms of interior packing are as versatile as the items they protect. A few of the most widely and successfully used types are described here:

SPRING PADS

Like innersprings, these accordion-shaped pads help dissipate and cushion shock. Their buffer action absorbs vibration

Defense Department Rules Aim for 'Fair Play'

Washington—The Department of Defense has issued a new set of ground rules aimed at insuring "fair play" in determining allowable costs for defense work.

Targeted specifically at cost-reimbursement type contracts, the rules, which go into effect next July 1, also will serve as a guide for Pentagon contract administrators.

The basic ingredient in the forthcoming stipulations is a definition of "reasonableness" where costs are concerned. A cost is reasonable, the rules state,

if, in its nature or amount, it does not exceed that which would be incurred by an ordinarily prudent person in the conduct of competitive business.

Some seven years in the making, the new regulations take 46 major cost items and spell out if and how the government will allow costs to be tallied. In some instances, the new policy represents a tightening up of government controls.

Interest, for example, won't be an allowable item after next July under any type of contract.

Right now, it is allowed in some contracts. In the case of research and development, however, the government is going to be more liberal in cost sharing.

Some items that have been set down for the first time include costs incurred by a company in advertising for the exclusive purpose of obtaining scarce materials, plant, or equipment, or disposing of scrap or surplus materials.

A new section has been included on training and education expenses. Depreciation regula-

tions follow those laid down by the Internal Revenue Service. Costs relative to excess facilities, not spelled out in previous regulations, are ruled unallowable in the new rules.

The government will allow costs incurred in maintaining labor relations between the contractor and employees under the new set of rules.

Copies of the new—revision No. 50 armed services procurement regulation—are available from the Government Printing Office, Washington 25, 35¢.

Commerce Asks Firms to Predict Inventory, Sales

Washington — Government economists are asking purchasing and sales officials of both big and little manufacturing firms to look beyond current imponderables and come up with an inventory-sales forecast for the first quarter of 1960.

The job won't be easy. The Commerce Department's late summer survey forecast, in which manufacturers predicted a sharp sales pickup and major inventory reductions in the final months of 1959, was beclouded by the long steel strike. But the inventory cutback prediction stood out in the broad outlines of the inventory-sales picture that government statisticians were able to draw from the mass of figures.

Ask for '60 Predictions

In the new survey starting this week, 1,500 major and 700 smaller manufacturing firms will be asked to predict their first quarter sales inventory prospects.

While the Commerce Department's summer survey found clear predictions of inventory reductions ahead, latest reports show inventories failed to drop as much as anticipated for the third quarter.

Commerce Department officials feel this may have been due partly to the late summer dropoff in sales, which left the manufacturers with bigger than expected inventories on hand.

This was true mainly in durable goods lines. Soft goods producers expected some declines in third quarter inventories and that's what they got.

One Steady—One Drops

Not much inventory changes are expected by the nondurable manufacturers for the fourth quarter of the year. On the other hand, durable goods manufacturers are looking for further reductions this quarter.

Durable goods manufacturers expected a healthy pickup in sales for the fourth quarter that would deplete inventories faster than they could be filled.

But there is some uncertainty about this now because the steel strike has run so long that it has taken much of the steam out of the forward thrust of the economy this quarter. Failure of sales to pick up this quarter would leave producers with bigger inventories on hand than had been anticipated.

\$400 Million Inventory Drop

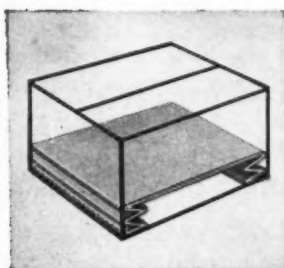
The Commerce Department's regular monthly reports on inventories—which came out last week—shows that inventories fell \$400 million in September. This is the second straight month that inventories have fallen since the buildup began in October, 1958.

The department reported that inventory liquidation was heaviest in the fabricated metal, motor vehicle and transportation equipment industries.

The department expects to finish up this week on mailing out questionnaires for the new survey of first quarter 1960 sales-inventory anticipations. The questionnaires follow much the same format as those used in the last survey.

interior packing for Union Boxes.

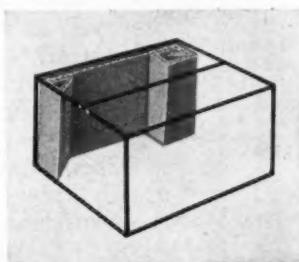
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These units "round off" the corners of the box's interior—provide extra protection at these vulnerable points. They cushion against crushing caused by improper stacking and impact resulting from humping or switching of freight cars, throwing, dropping and other shipping hazards that might squeeze or otherwise damage the contents.

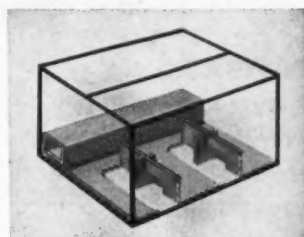


which can cause loosening of parts and actual breakage—particularly where it coincides with the natural frequency of the

DIE CUT SHEETS

Die cut inner packing comes in an almost limitless range of shapes, sizes, thicknesses. It can be made to perform practically any protective function. The pieces nearly always are tailored around the product—usually a fragile article, an item of irregular shape or one of unbalanced construction. Die cut inner packing is being used increasingly today because of the wide variety of items now shipped in corrugated containers.

Interior safeguards recommended or developed by Union-Camp are saving many companies thousands of dollars annually in packaging costs. Not to mention untold dollars that have been saved through the elimination of shipping damage. Whatever your product, your Union Box representative will be glad to work with you in determining the most efficient and economical approach to your particular packaging operation.



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P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

Needed: 5,600 Executives

Executive Manpower Corp. of New York reports that between now and March 1960, industry will need 5,600 executives. The corporation's findings are based on a recent survey of the nation's major business corporations.

More than half the openings will be newly created executive positions.

Corporations will begin their search for new executive talent within their own walls. If they fail to come up with the right men, they'll go to advertisements and the grapevine; if that fails to find the right men, the companies will try management recruiters . . . and finally, they'll turn to the employment agencies.

Baffling Heroes

For the business outsider, the conflicting claims among the various functional groups in industry as to just who is going to be in the center of the stage in the future add little but confusion to his understanding of business and industry in this country.

Within the past six weeks, the dean of a mining college said the mining engineer would occupy a central place in the industrial picture of the future.

And industrial engineer Willard F. Rockwell, Jr., president of the Rockwell Mfg. Co., predicted that the industrial engineer would occupy the central place.

Maintenance men have made the same claim in past months, as have finance and sales executives. And, of course, the advertising and marketing men have chimed in on their own behalf.

Adding more urgency to these claims of advancement are the words of Dr. Howard T. Lewis, who says:

"If the P. A. would hold his own, he must be as consistently progressive as all the rest of the business and technical people who work around him."

Why Executives Fail

The eight reasons why executives fail:

1. Don't delegate authority.
2. Lack breadth of knowledge.
3. Can't analyze and evaluate.
4. Can't judge people.
5. Can't cooperate.
6. Can't make decisions.
7. Don't have drive.
8. Lack responsibility.

Those were major findings of a survey conducted by Stevens Institute of Technology among 300 executive failures.

Two conflicting policies (both common).

- "In this company we hold on to people, never fire them. But sometimes I think we should fire some of the men who obviously have reached the end of the road"—Chemical company president.
- "We've got no room for anyone on any level who can't carry his own weight—we just can them"—Aircraft company vice president.

SHORT POINTERS: Recent office survey indicates secretaries' number-one complaint against the boss is lack of appreciation . . . "He never praises me for doing a good job," secretaries say . . . A good way to cut out idle chit-chat in management meetings: *Take a tape-recorder to the next such meeting . . . set mike right in center of the table . . . tell your colleagues you want to record their ideas . . . then watch 'em stick to the point . . .* Weather forecast: *Watch the temperature readings in the Northern Great Lakes.* Could have a bearing on the extent of the expected iron ore shortage next spring . . . could be a tip-off on steel supply shortages.

DRAWBACK:—A tricky term of U. S. Customs origin. Here's what it means: If you produce items made in whole or part from imported materials and export such items, the government will refund 99% of the duties paid when the materials first were imported. Could save your company money. Few importers are taking advantage of this proviso, Uncle Sam says.

Follow-Up

Coliseum Leases

New York, N. Y.

Our attention has been called to an article in the Oct. 26 issue of PURCHASING WEEK commenting on the 51st Annual Business Show recently held at the Coliseum ("1959's Baffling Business Show: Rambler Is in, I.B.M. Isn't," p. 1).

It contained the following paragraph:

"The O.E.A. lease on Coliseum exhibit space runs through '61, and as every lessee has veto power over any rival show coming in during the same year—there is virtually no chance of another business show getting into the Coliseum—and hence into New York."

This statement is untrue. No lessee has a veto power over any show at the New York Coliseum.

The implications of this are serious. The New York Coliseum is a public institution. It has an important place in the commerce and industry of this city, and the policy of the management has always been to operate it in the public interest.

Howard G. Sloane
Managing Director
New York Coliseum

- The foregoing will clarify leasing policy of the New York Coliseum, scene of many large exhibitions.

On Supplier Subcontracts

In last week's column, H. S. Sheriff, assistant for purchasing, General Products Division, I.B.M., White Plains, N. Y., asked for readers' views on "How do you prevent a supplier from subcontracting part or all of your order to another manufacturer without your knowledge or approval?"

New York, N. Y.

We eliminate this problem by actually listing in the purchase contract preferred subcontractor vendors for the equipment. Under each specific component of the product, we put in a section which we call preferred subcontractors.

Depending on the product, the buyer usually knows when he issues the purchase order that some of the parts are going to be subcontracted.

In some cases where we don't know whether subcontractors will be used, we will include a clause to the effect that no subcontractor can be used without our approval.

James A. Russell
Purchasing Coordinator
American Oil Co.

Wants Letter Writing Reprint

Seattle, Wash.

Would you send me a copy of your Dec. 29, 1958 issue or, if available, a reprint of the following article on pages 6 and 7:

"Write Letters that Bring the Results You Want," by C. W. Wilkinson.

Herta A. Murphy
Assistant Professor of Business
Writing
College of Business
Administration
University of Washington

- Reprints are available.

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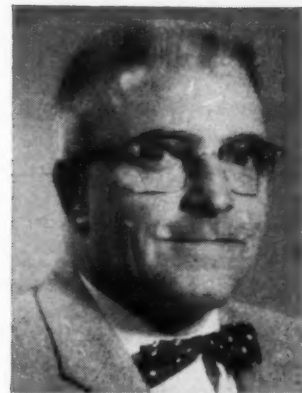
What do you do if approached for a price change, because of an erroneous quotation, after an order has been placed and supplier is still low bidder?

Question asked by: N. Marsh, Staff Specialist-Purchasing
National Biscuit Co., Chicago Bakery



W. H. Conant, purchasing agent, Weldon Tool Co., Cleveland:

"We try to stop this type of situation before orders are placed. All quotations are carefully studied. If we feel a bid is low, we call in the vendor and have him review his quotation with the factory. When he assures us it is correct we then will place the order. If a vendor insists on a price change and it does not affect a specific order, we would make some adjustment. If it does affect a quoted price to our customer, we would insist on the price remaining."



M. B. Wilcox, purchasing agent, Aladdin Laboratories, Inc., Minneapolis:

"Normally we would allow the vendor to change his quote. A lot might depend on him and his background. If the vendor is a new supplier, I might become suspicious of his intent or the quality of his goods and cancel out. On the other hand, we do not always cater to the lowest bidder. We might ask for quotes from several vendors on one particular item in order to check our present supplier's price. In this case, the old vendor would have a slight edge."



R. E. Kabella, purchasing agent, Crestline Co., Wausau, Wis.:

"If the difference is brought to our attention within a few days of receipt of purchase order, then we would allow the price change. We feel if an order has been acknowledged by a supplier, we would not permit the supplier to raise his price. An exception to this would be if the difference in price is rather large. Then it is as much the buyer's fault as the supplier's and would be negotiated."



W. W. Lauer, director of purchases, Read Standard Division, Capitol Products Corp., York, Pa.:

"This doesn't happen too often but it has occurred. We would resist a price change, but if there are unusual circumstances we would accept it reluctantly. The whole point is we don't want any supplier to give us a quote and feel he can change it, regardless of the circumstances, and get more money out of us."



J. J. McManus, director, purchasing, Railway Express Agency, Inc., New York:

"If a supplier discovers he has made an error in his quotation and asks to supplement it to show increased cost, we would allow him to submit a new one if requested prior to the time our purchase order was received by him. If production was well advanced, we would insist on our order being completed at cost originally quoted. Should the new quotation still be the low bid, we would require satisfactory explanation."



Fred Coker, purchasing agent, Fulton Sylphon Division, Robertshaw-Fulton Controls Co., Knoxville, Tenn.:

"We don't believe that such a request is appropriate after an order has been placed and, fortunately, we seldom are faced with this. In rare cases, however, if a supplier can furnish definite proof that an error was made or some legitimate cost factor was overlooked in quoting, we will consider a reasonable price increase consistent with our own cost planning. We do not intend to encourage them to make such requests."

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DYNAPRENE Portable Cord appeals to wise buyers because it is a long-lasting, sturdy cord that stands up under really rugged work conditions.

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Cleveland Plan Sells the Surplus

Cleveland—A new service offered by the Purchasing Agents Association of Cleveland has all but eliminated the problem of disposing of surplus inventories for many of its members it was announced here recently.

Known as the Surplus Commodity Service, it is perhaps the only such operation provided by a local N.A.P.A. group. Basically, the surplus plan operates this way:

A member's surplus lists first must be approved by an association board manager. The member must be able to verify that the surplus commodity was not purchased for resale in the first place.

After the list is approved, the member can send it out to the 6th District membership with a covering letter on association letterhead explaining the commodity service.

Actually Works

The best part of the system is that it actually works according to Cleveland P.A.'s. Association members who have used the service say they were able to dispose of their surpluses rapidly after

sending out the lists and accompanying letters.

One purchasing agent who had a couple of very expensive and highly specialized pieces of office equipment was able to sell them within three days.

Another said his company had stocked material years ago for a job which was later discontinued, and had carried it in the firm's surplus inventories until he decided to try the commodity service. He was successful in selling the material at a satisfactory price.

All of the purchasing officials questioned about the unique operation were high in their praises. The actual transfer of the property is between the buyer and seller. Once the association provides the mailing lists and covering letters, it has no connection with the sale of the commodities and is not an instrument in the actual sale.

While the Commodity Service has been in operation several years, it has really only grown into a full-fledged "business" recently.

'Tools of the Future' Theme Heads Milwaukee New Products Show

Milwaukee—Midwestern purchasing agents had a preview of what they'll be buying during the next 10 years at the Eighth Triennial Products of Industry Exhibit here last week.

Some 15,000 P.A.'s, engineers, and other executives found the three-day event, sponsored by the Milwaukee Purchasing Agents Association, "highly enlightening," according to an association spokesman.

"Tools of the Future" included

a printed-circuit drilling machine for making missile components and missile guidance systems. It was developed by Zagar, Inc., of Cleveland.

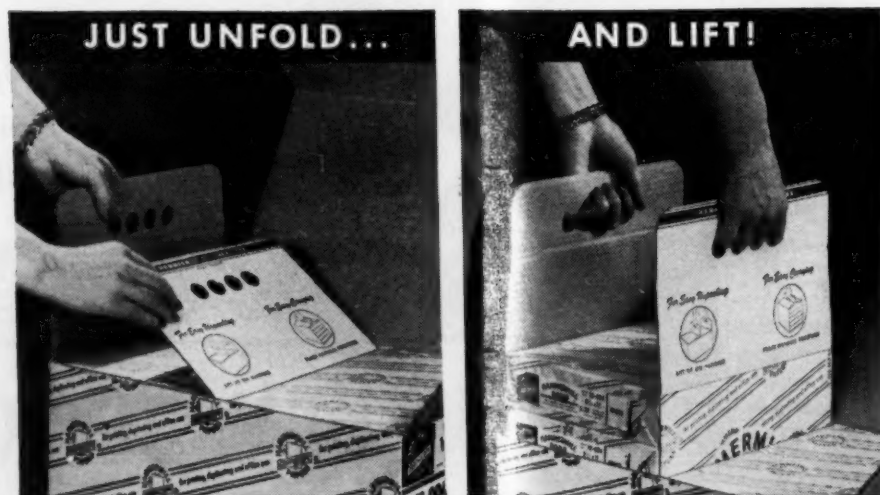
Fairbanks, Morse let buyers weigh themselves on an electronic scale, while Chase Brass & Copper presented a new alloy—silnic bronze—which combines maximum strength, conductivity, and machinability.

Herbert and Archdale showed radial drills made in England.



Only Graphicopy® Papers feature the nail-saving E-Z Carry-Pak*

No bent fingernails—no chipped polish with Hammermill Graphicopy's exclusive E-Z Carry-Pak. Just unfold the two handles, and lift. Out come five packages of Hammermill Graphicopy papers slick as a whistle. You don't have to dig 'em out one at a time. Graphicopy papers run right on any kind of office printing and duplicating machine. And they give the kind of results any boss will appreciate—clean and crisp and colorful. Tip him off today—about new Hammermill Graphicopy papers.



*patent pending

Used Equipment Sales Increase

Detroit—New sales program developed by Burroughs Corp. to create a nationwide market in the U. S. and Canada for used equipment, is proving highly successful, according to the office equipment manufacturer.

Burroughs says that its sales of used accounting machines increased 50% during the first full month of the new program.

Available to Other Outlets

Under the plan, equipment traded at any one of the firm's 144 branches is made available to all other sales outlets in the two countries through a coordination center established at Burroughs' home office here.

Ken T. Bement, general sales manager, points out that used equipment formerly was sold exclusively by the local office taking the machine in. Initially, only used accounting machines will be sold through the national control center here, but the company expects to include other second hand business machines in the near future, Bement said.

Court Decision Eases Registration of Trucks

Utica, N. Y.—A recent court decision here concerning truck registration is being hailed by the Allied Transportation Industries Association of New York as a "positive step forward."

The ruling holds that a truck registered out of state, being used to transport goods manufactured in New York State, need not be registered in this state if the cargo was picked up in another state.

The decision came about after a truck driver from New Jersey was arrested here, en route to Syracuse, carrying a load of goods manufactured in New York State.

This Changing Purchasing Profession . . .

Chrysler Promotes Cawthon To General Purchasing Agent

Three purchasing changes have been made at **Chrysler Corp.**, Detroit. **William C. Cawthon** has been appointed general purchasing agent. Formerly plant manager of the Plymouth Detroit Assembly plant, he will be in charge of all corporate buying operations and the company's relations with its supplier concerns.



W. C. CAWTHON

Administrative services for the purchasing department remains the responsibility of **Emlyn Lloyd**, director of purchasing administration.

Harold C. Cook, director of purchasing activities for the car and truck assembly group, has been assigned to the staff of **B. W. Bogan**, vice president, purchasing and supplier relations. In his new post Cook will coordinate divisional and corporate purchasing activities.

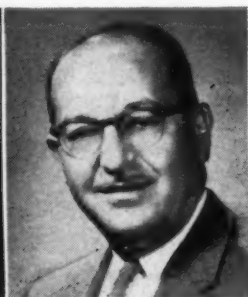
Richard D. Morrison, former executive assistant to Lloyd, has been promoted to purchasing agent for raw materials.

Winslow Promoted at Eaton

K. E. Winslow, formerly steel buyer of the Spring Division, **Eaton Mfg. Co.**, has been advanced to division purchasing agent. He succeeds **L. A. Kruger** who retired after 38 years with the firm.

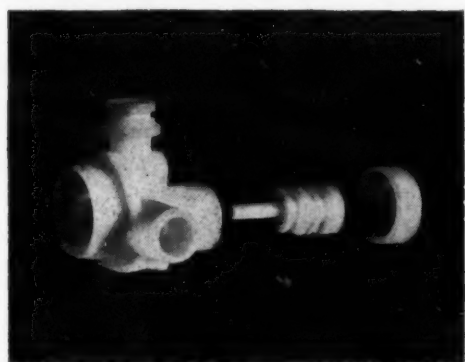


K. E. WINSLOW



A. J. ROSALINA

A. J. Rosalina has been named a buyer, specializing in tool purchases, for the **Geo. Worthington Co.**, Cleveland. He had been Eastern district sales manager.



Purchase for Profit!

Specify Chicago Molded

These injection molded nylon shapes compose a unique Venturi valve unit used to regenerate the mineral bed of a Culligan Water Softener. Previously, they were brass. By switching to Chicago Molded thermoplastics, performance and durability were improved, material cost cut, machining and finishing eliminated. Your job may be smaller or very large, may require a different plastic, compression or transfer molding. To purchase for profit, specify:

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Armco Steel Advances Kenagy

Kansas City, Mo.—**H. K. Kenagy** has been promoted to director of purchases for Sheffield Division, **Armco Steel Corp.**'s three plants at Sand Springs, Okla., Kansas City, and Houston. **J. A. Street** becomes assistant director of purchases for these plants.

Kenagy had been purchasing agent for the Kansas City works and Street had been manager of scrap purchases.

W. E. Anderson continues as purchasing agent for the Sand Springs plant.

William J. Schmuhl has been moved up to purchasing agent at the Michigan City, Ind., plant of **Pullman-Standard**, succeeding **A. J. Bruggeman** who retired. **W. J. Knaak** takes over Schmuhl's former post of assistant purchasing agent.

Herman J. Kashare has been promoted to purchasing agent for the **Los Angeles Department of Water & Power**. Formerly assistant purchasing agent, he succeeds **Mike Millot** who retired (see p. 7).

Kenneth C. Edscorn has been appointed tie and timber agent for the purchasing department of the **Missouri Pacific Railroad Co.**, St. Louis.

Harry D. Brown, vice president in charge of purchasing and traffic, **Gates Rubber Co.**, Denver, has been assigned the added duty of supervision of the production and manufacturing of the Denver plant under the direction of the executive vice president in charge of manufacturing.

Keith Douglas has been advanced from buying supervisor to purchasing agent by **Hoffman Laboratories Division, Hoffman Electronic Corp.**, Los Angeles.

Herbert Fleck, who served for several years as purchasing agent and controller for **Cromwell Paper Co.**, has been made vice president, production, for both the Chicago and Trenton, N. J., plants.

James E. Borchert has been made director of procurement for **A. O. Smith Corp.**, Milwaukee. He succeeds **Milton E. Morgan**, a company vice president, in the purchasing position. Morgan has been placed in charge of the Permaglas Division, Kankakee, Ill. Borchert had been assistant to the director of procurement.

James B. Gray has been named manager of the purchasing department, Textile Division, **Ames-Harris-Neville Co.**, San Francisco.

Charles E. Quick succeeds **Arthur B. Birtles** as vice president in charge of production and purchasing, **Hillerich & Bradsby Co.**, Louisville, Ky. Birtles retired but will continue as a director.

Obituaries

A. Maurice Moore, 55, senior buyer of drugs and chemicals in New York City's Department of Purchase, died Oct. 1.

Ernest Schadewald, 68, purchasing agent for the Ferguson Propeller & Reconditioning Co., Hoboken, N. J., died Oct. 12.

Wallace M. Powell, 71, formerly assistant purchasing agent in the Wilmington, Del., and New York offices of the Du Pont Co. died Oct. 17. He retired in 1951.

Hooker to Headquarters in N. Y.

Niagara Falls, N. Y.—**Hooker Chemical Corp.** will establish corporate headquarters in New York next February.

The move, involving only top-level corporate officers, will not affect Hooker's present purchasing and sales set-ups, which will continue to operate on a regional, decentralized basis.

Meetings You May Want to Attend

First Listing

Wisconsin Petroleum Association—34th Annual Convention & Exhibit, Schroeder Hotel, Milwaukee, Feb. 24-25.

Institution Food and Supply Show—Trade Show Building, New York, March 21-24.

Previously Listed

NOVEMBER

International Automation Exposition and Congress—Trade Show Building, New York, Nov. 16-20.

Catholic Hospital Association of the United States and Canada—Advance Institute on Hospital Purchasing, Melbourne Hotel, St. Louis, Mo., Nov. 16-20.

Electrical League of Western Pennsylvania—Industrial Electric Exposition, Penn-Sheraton Hotel, Pittsburgh, Nov. 17-19.

National Association of State Purchasing Officials—14th Annual Meeting, Riviera Hotel, Las Vegas, Nov. 17-20.

Packaging Machinery Manufacturers Institute—Show, Coliseum, New York, Nov. 17-20.

Chemical Industries Exposition—Coliseum, New York, Nov. 30-Dec. 4.

DECEMBER

Catholic Hospital Association of the United States and Canada—Introductory Course in Hospital Purchasing, Hotel George Washington, Jacksonville, Fla., Dec. 7-11.

1960

JANUARY

Southwest Heating and Air Conditioning Exposition—Memorial Auditorium, Dallas, Jan. 1-4.

Purchasing Agents' Association of Florida—6th Annual Buyer-Seller Meeting, Mayflower Hotel, Jacksonville, Fla., Jan. 14-16.

11th Plant Maintenance & Engineering Show and Conference—Convention Hall, Philadelphia, Jan. 25-28.

MARCH

Illinois Petroleum Marketers Association—Products and Equipment Show, Morrison Hotel, Chicago, March 8-9.

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Motor Number _____ Serial or Code Number _____ Key Number _____
Service Policy and Form 112 in Car _____

TIRES: MAKE _____ SIZE _____ TYPE _____ PLY _____ SERIAL # _____

UNDER - HOOD SERVICING

Adj. Accelerator & Transm. Linkage _____
Operation of Hood Lock _____
Fan & Generator Belt Adjustment _____
Brake Master Cylinder Fluid Check _____
Engine Oil _____
Transmission Lubricant _____
Anti-freeze Protection _____ Degrees _____
Electrical Connections _____
Battery Terminals & Ground Strap _____
Manifold & Exhaust Bolts _____
Cylinder Head Bolts Torque _____
Carburetor & Choke Adjustment _____
Ignition Point Setting _____
Ignition Timing _____

INSIDE CAR SERVICING

Free Operation of Windows _____
Windshield Wiper & Washer _____
Seat Track Operation _____
Heater & Defroster Operation _____
Horn Operation & Tone _____
Oper. of all Instr. & Controls _____
Emergency Brake Adjustment _____
Brake Pedal - Free Travel _____
Glove Box Adjustment & Lock _____

OUTSIDE CAR SERVICING

Operation and Fit of Doors _____
Door & Rear Deck Weather Strip _____
Operation of all Lights _____
Headlights Beam Adjustment _____
Front End Alignment _____
Adjust Torsion Bar _____
Sheet Metal _____
Front & Rear Wheel-Hub Stud-Nuts _____

REMARKS: _____

DATE: _____

ON RACK SERVICING

All Tires to Recomm. Pressures _____
Adjust Transmission Bands _____
Oil, Fuel & Coolant Leaks _____
Brake System for Leaks _____
Front Wheel Bearing Grease & Adj. _____
Steering Wheel Back Lash _____
Balance Wheels _____
Lubricate _____
Differential Lubricant _____
Service Brake Adjustment _____
Bumpers, Front and Rear _____
Steering Linkage Lock Nut Torque _____
Steering Linkage for Cotter Pin _____
Engine Mount Bolt Torque _____
Transm. Selector Cable Adjustment _____
Correct Speedometer Gear _____

EQUIPMENT INSTALLATION

Spot Light _____
Outside Rear View Mirror _____
Flashlight Holders: Number _____
Fire Extinguisher _____
First Aid Kit _____
Gun Racks _____
Alternate Red Light Hook-Up _____

Siren: Mounting

Type _____
Dome Light Deactivator _____
Patrol Emblem Decals _____
SHP Number Installed _____
Install Floor Mat _____

ROAD TEST

All Instruments _____
All Lights & Switches _____
Horn & Siren _____
All Accessories _____
Service & Parking Brakes _____
Transmission _____
Engine _____
Steering _____
Rattles _____

SIGNED: _____

MISSOURI STATE HIGHWAY PATROL
SERVICE, MAINTENANCE, REPAIR PROCEDURES & RECORD

SHP # _____ DATE IN SERVICE _____

EACH TIME GASOLINE IS PURCHASED: Check Oil Level, Radiator Level & Lights
EACH WEEK: Check Tires (30 lbs.), Windshield Wipers & Washer, Battery & Battery Surface

OPERATION # 1:
Change Engine Oil _____
Lubricate Car _____
Check Fan & Generator Belts _____
Visual Tire Inspection _____

OPERATION # 2:
(Generally considered as minor tune-up)
Check Spark Plugs _____
Check Distributor Points & Gap _____
Check Timing _____
Clean Air Filter _____
Change Oil Filter _____
Check Foot & Hand Brakes _____
Minor Adjustment of Carburetor _____
(No Major work to be done on carburetor unless malfunction)

OPERATION # 3:
Check Generator Brushes & Replace if Necessary _____

OPERATION # 4:
Adjust Front Wheel Bearings _____
Change Ceramic Fuel Filter _____

OPERATION # 5:
Repack Front Wheel Bearings _____

OPERATION # 6:
Adjust Bands in Transmission _____

OPERATION # 7:
Change Transmission Fluid _____

1,000 Mile and 2,000 Mile Inspections are NOT to be performed, except that any specific troubles may be corrected:

MILEAGE	OPERATIONS TO BE PERFORMED	REMARKS AND MILEAGE AT WHICH DONE
1000	Engine Oil to be Changed	
3000	# 1	
6000	# 1, # 2	
9000	# 1	
12000	# 1, # 2, # 3, # 4, # 6	
15000	# 1	
18000	# 1, # 2, # 3	
21000	# 1	
24000	# 1	

Because of expectation that the car will be replaced at approximately 25,000 miles, all operations at 24,000 miles, except # 1, will not be performed, unless car is not operating properly in which case specific complaints may be taken care of:::

If, due to unexpected circumstances, the car is not replaced, maintenance program should be continued as follows:

27000	# 1, # 2, # 3, # 5, # 6, # 7	
30000	# 1	
33000	# 1, # 2, # 3	
36000	# 1	



In Missouri, They Push Fleet Ope

Jefferson City, Mo.—The happy gentlemen in the photo above have an ill-kept secret: They probably have the best system in America for running a medium-sized fleet of cars.

The men (left to right) are a Missouri State Highway Patrolman, Col. Hugh H. Waggoner, superintendent of the State Highway Patrol; and his assistant, Lt. H. H. Schaperkotter.

Their system cuts costs to a 5¢-a-mile rate for running each of the 400 cars in the State Highway Patrol's fleet.

For an idea of how the system pays off, take another look at the two cars above. The one on the left is about to be traded in. The one on the right is brand new. See any difference except the markings? Not much, probably, because there isn't much difference. Here's why:

• Each car is traded in after 25,000 miles.

• Each car gets a painstaking maintenance check including a

70-point check-off given before it goes into service (see top chart, left).

Results:

1. Lower costs through few repairs.

2. Better contracts and improved warranty terms.

3. Annual savings of about \$30,000 over the former trade-in-when-worn-out method.

4. Safer, better law enforcement.

By replacing a car after 25,000



ONCE THE QUESTIONS are over, State Highway Patrol maintenance men give new cars a painstaking going-over before assigning to fleet.



Ask 70 Well-Chosen Questions, Cutting Costs Down to 5¢ per Mile

miles, the Missouri police have cut costs about half a cent per mile. Under the old system, cars were traded when they were worn out (70,000 to 80,000 miles).

"It isn't the cheapest model or initial car purchase price that determines the cost of maintaining an automobile fleet," says Lt. H. H. Schaperkotter, who is responsible for buying and maintaining the state's fleet of police cars.

What determines cost is the difference between original purchase price and trade-in price plus operating costs for a given period.

How have the police managed to buy, operate, and maintain a fleet of more than 400 patrol cars at peak performance and still operate at less than 5¢ per mile?

According to Lt. Schaperkotter the keystone is "the condition and desirability of our cars at trade-in time.

"We make sure our cars are in excellent condition at trade-in time through a tested inspection program that starts at the time of purchase, and ends with trade-in at 25,000 miles, when cars are at the peak resale value.

"Moreover, we buy a variety of body styles. Our patrol cars are two-door hardtops or four-door sedans, models found most desirable for resale."

For the past two years Dodge Division of Chrysler Corp. has had the contract to supply all of the Missouri State Highway Patrol cars. They are D-500 special V-8 Torqueflite Police Pur-

suit models that can go 120 mph. The contract was awarded on a low bid basis, and the cars came directly to Patrol State Headquarters in Jefferson City, Mo., from the factory, under a contract with a dealer in Columbia, Mo.

Certified public accountants have checked the patrol's system of accounting and have declared the cost figures to be accurate.

Last year the Patrol's 401 cars totaled 9,689,157 miles, at the adjusted car replacement cost of \$122,759.50, (see table, right) the cost was .012670 per mile. Costs for operating, maintenance, etc. was .046934 per mile. Total costs for the fleet:—about 5¢ per mile.

Lt. Schaperkotter said costs of operating patrol cars in 1959 will exceed that of 1958 because of higher prices for gasoline, labor, etc. But he declared, "I think at the end of this year we will still be under five cents a mile."

Prior to 1956 cars were replaced, in lots of four to eight, after being operated for 70,000 to 80,000 miles. Maintenance cost was a lot higher on the old cars, and trade-in value was much less, the lieutenant explained.

"We decided to see if we could buy them oftener, and concentrate on a high resale value. We talked with various manufacturers and decided we could.

"Our first bids for this type of replacement program brought higher replacement cost because

we were trading in cars that had been driven for more than 25,000 miles. Initial replacement costs ran 1.5 to 1.75¢ per mile." Dodge was the first low bidder in 1956. The following year, Chevrolet. Last year and this year, Dodge again won the contract.

How much had been saved in dollars by switching to the 25,000-mile replacement program? It is difficult to say because of different accounting procedures and the inroads of

inflation. However, Schaperkotter estimates that it cost 4.3 mills per mile to run a vehicle over 25,000 miles. Considering Missouri police cover 12 million miles annually, the estimated savings are about \$30,000.

But early trade-ins are only part of the program. There is also the careful maintenance program.

Here's how it works.

When a new patrol car is accepted, it goes to the main police

garage located at Jefferson City.

At the garage the cars come under the practiced eye of Warren McGee, patrol shop superintendent, who has visited the Dodge factory annually to get the same training that Chrysler service personnel get. During the year, Dodge field representatives regularly stop at the patrol garage to acquaint McGee and his 7-man force with new Dodge shop procedures.

"Each new car gets 69 to 70 service checks before it is permitted to be driven in patrol service," says Lt. Schaperkotter. "This insures the car being in perfect condition from the start of operation. Also, it eliminates many breakdowns that would otherwise occur. We don't rely on factory inspections and never have for any models we have purchased," he says.

"You would be surprised how this work has reduced our maintenance cost to literally nothing," he says.

Another big factor in keeping down costs by trading in at 25,000 miles is that the more liberal warranty negotiated for or available on volume purchases practically eliminates repair expense.

During the operation of the patrol cars there is a rigid servicing operation that must be followed by all drivers.

Colonel Hugh Waggoner, Superintendent of the Missouri State Highway Patrol, says: "You can't put a dollar tag on human life. We must provide our troopers with the safest vehicle possible. Our present vehicles meet that demand. Also, with our present formula for acquiring new cars and disposing of the used cars at each 25,000 miles we still have the lowest mileage cost of any fleet in the United States."

A Look at Costs

	Total Cost	Cost Per Mile
A. Operating Cost (401 cars).....	\$341,525.10	.030379
B. Loss from Collisions *	7,939.83	.000706
C. Reconditioning costs of used cars **	12,954.23	.001337
D. Car Replacement cost	122,759.50	.012670
E. Addition of power steering *** ...	18,330.00	
F. Servicing, equipping & stripping new and used cars ****	14,580.00	.001505
G. Minor miscellaneous expense of car maintenance	3,266.42	.000337
Total		.046934

Based on 1958 costs and 9,689,157 miles, 401 new cars were put into service to replace an equal number of vehicles. Three of these used cars had been wrecked. The others reached the 25,000 miles. Cost of wrecks was \$3,821 over normal replacement charges. 282 of new cars were equipped with power steering @ \$65 per unit. These two items should be deducted particularly the power units since that will be reflected more accurately in the next trade.

* Insurance paid \$4,535 on collision damage leaving \$7,939 as carried in Item B.

** Reconditioning includes getting cars back into shape for trade in or to repair damage to glass, interior or body and to replace tires when necessary.

*** Not taken as expense this year on theory will bring better trade-ins later.

**** Servicing includes installation of police equipment. (Holes made to install lights etc. are fixed by dealer who estimates \$50 cost to ready for resale.)

Foreign Perspective

London—Britishers are looking to the United States for indications of what's in store for commodities next year.

Loss of automobile and other industrial production caused by the steel strike is likely to continue curtailing market exuberance internationally. No firm trend will emerge, it's felt, until the U.S. industrial picture is a lot clearer.

However, nearly all commodities now have responded to free world industrial spurt in 1959. **Latest to show up brighter is lead.** London November trading pushing prices up in belated response to export and output restrictions internationally agreed last April.

Turnover on the London Metal Exchange rose sharply before profit-taking took off some of the shine. But long-term lead prospects still are uncertain.

Chiefly, there's always the chance that producers will grow restive about output and export restrictions. That goes for zinc too, which lately has been in actual tight supply.

It's now reported a new United Nations pow-wow on these metals may be coming up in January next year. Chances are, however, that producers will start increasing supplies before then.

Paris—Freer trade advocates have a lot to cheer about these days.

Recent trade liberalization moves by France and England indicate a sharp foreign trade increase may be in the offing.

The French move is particularly significant. It involves the lifting of quota restrictions on many goods from the United States, Canada, and countries in the European Economic Cooperation Organization (O.E.E.C.).

Among several hundred articles affected are textiles; clothing for men, women, and children; building materials; household gadgets; tools; commercial refrigerators; cameras; and farm machinery.

Among imports which remain restricted are whisky, automobiles, household refrigerators, and washing machines.

The French action comes in the wake of Britain's announcement that British markets are being opened to a vast array of American and West European goods long barred under import quotas.

Cold War Thaws for Pakistan

All this liberalization is basically a reflection of new O.E.E.C. thinking on foreign trade. The O.E.E.C. has asked its 17 member nations to lift import restrictions progressively.

Karachi, Pakistan—The thaw in the cold war is reaching down to some of the smaller nations.

Government officials here, for example, have just announced this nation will buy 100,000 tons of coal from Poland in exchange for Pakistan cotton and jute of equivalent value. Cost of goods to be exchanged will be about \$3.2 million.

This new barter deal follows the pattern of deals already signed between Pakistan and other East European countries of the Communist bloc. Such deals have invariably taken the form of Pakistan trading her jute and cotton for the Communist countries' coal, capital goods, and finished products like cement.

Pakistan has been following the same pattern of trading with Communist China, although in this case foodgrains like Chinese rice have been taking the place of capital goods on Pakistan's list of imports from that country.

These new deals reverse a long-term trend of declining trade between Pakistan and the Eastern bloc.

Calgary, Canada—Coal producers here are making a concerted effort to capture a larger share of the Japanese market.

Representatives from three western

Canada coal companies will meet in Tokyo within two months with the Japanese steel industry to work out a three-year coal deal.

The big questions to be ironed out are price and quality. The latter involves the suitability of Canadian coal for coking operations.

A large-scale test on the suitability of this coal is already under way. The three companies are in the midst of delivering 110,000 tons of coking coal to Japan—a movement which started Aug. 1 and is expected to be finished by Dec. 31.

If things work out, Canada may find a steady customer for some of its coal.

First Rumanian P.V.C. Plant Produces 5,500 Tons a Year

Vienna—The first Rumanian plant for the production of polyvinyl chloride has gone on stream as the newest department of the Turda Chemical Combine.

This latest addition to the combine joins a list of other departments added recently for the production of pesticides, hydrochloric acid, carbons, tetrachloride, and salt electrolysis.

The capacity of the new Rumanian P.V.C. plant is set at 5,500 metric tons per year. Basic raw material for the facility is acetylene and carbons which are produced at special divisions of the Turda Combine for the polyvinyl chloride operation.

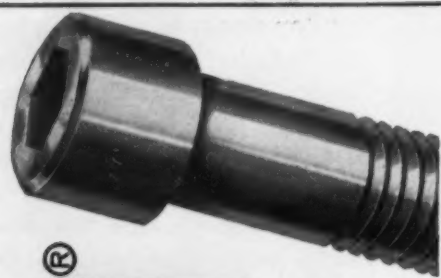
Japanese Company Plans Radio Assembly Plant in Ireland

London—Japanese embassy spokesman here has confirmed Dublin reports that Sony Corp. of Tokyo plans to assemble transistor radios in the Irish Republic for export markets.

The spokesman explained that the firm would take over a new factory at Shannon Airport next year, under the Irish Government's program to attract foreign investment.

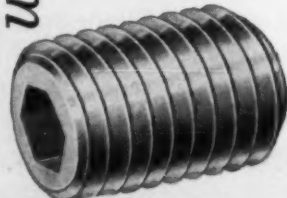
The sets will be assembled at Shannon, with local processes adding about 50% to the manufacturing costs to enable the products to qualify as Irish manufacturers.

No production target figures are available because Irish sources say that the Sony Corp. request is still in the negotiating stage.



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do better
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STARRETT SAFE-FLEX[®] HIGH SPEED STEEL BAND SAW

Here is a high speed steel band saw that cuts up to 10 times faster, lasts up to 30 times longer than ordinary blades. New heat treating techniques give it graduated hardness from super-hard teeth to super-tough, flexible back. New welding methods make the weld as strong as the parent metal.

Starrett Safe-Flex[®] High Speed Steel Band Saws have red heat hardness that permits using heavier feeds, higher speeds. They stay hard even at temperatures up to 1100°F. New tooth and gullet design, thinner section, plus sharp, precision cut teeth assure straight, accurate cutting, a fine finish, minimum metal

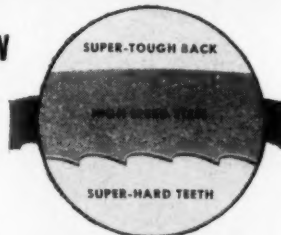
removal. Recommended for all cut-off work on tool and die steels, ferrous alloys and hard-to-cut non-ferrous metals... also for severing and slicing operations.

Your nearby Industrial Supply Distributor has Starrett Safe-Flex[®] High Speed Steel Band Saw Blades in regular, skip-tooth and hook-tooth types. He also stocks the complete Starrett line of hacksaws, hole saws, band saws and band knives. Call him for quality products, dependable service... or write for complete information. Address Dept. PW, The L. S. Starrett Company, Athol, Massachusetts, U. S. A.



Starrett Precision Makes Good Products Better

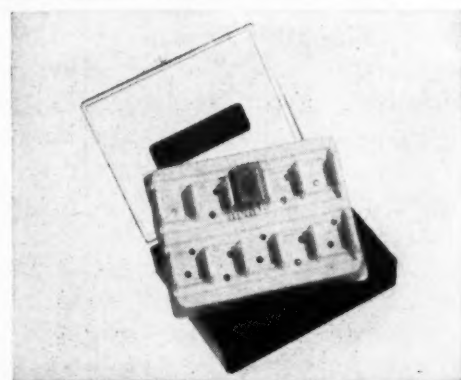
PRECISION TOOLS • DIAL INDICATORS • STEEL TAPES • GROUND FLAT STOCK • HACKSAWS • HOLE SAWS • BAND SAWS • BAND KNIVES



Starrett[®]

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HACKSAWS • HOLE SAWS**

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Campco Styrene

A unique package of Campco Styrene provides lock-in protection for a new line of electrical relays. Special protection was important because of tiny contact pins, varied shapes. Identical compartments in the package cradle 10 different types of connectors—grip each one of the relays in some way. This provides ease of handling and filling in assembly and packaging—saves time and money. Packaging in plastic can pay off for you, too. Purchase for profit, specify:

CAMPCO Sheet and Film

division: Chicago Molded Products Corp.
2724 Normandy Ave., Chicago 36, Ill.

Plant Efficiency Unit Spotlights Fair

Cologne—A new electronic "production and costing center" designed to increase production and efficiency in a plant, caused quite a splash at the recent Office Equipment Fair here.

Manufacturer of the center, Zuse K. G. Hersfeld, guarantees a 10-20% increase in production and claims that in many plants the output growth achieved by this center can be as high as 40-100%. It consists of three parts:

- Boxes at each working place in the plant.

- A central signal board with as many fields as there are working places connected with the board.

- A control desk in front of the signal board.

The futuristic electronic device is designed so that a worker, at the beginning of his shift, puts his card into the box at his working place, then signals his number and a number indicating what job he's going to tackle.

After checking this information, the switchboard operator gives him the green light to go ahead. If the worker interrupts his work, a light shows at the signal board. The worker can press a button to let the switchboard know whether the interruption is due to lack of certain parts, tools, or a coffee break.

The switchboard operator, from his central position giving him a complete image of how

many men and machines are actually working and where a bottleneck of supplies has arisen, can direct the flow of material more efficiently and thus reduce storing times to a minimum.

At the end of the shift, the switchboard operator has complete records of how many hours every worker was on the job, how much of this time was productive, and how many pieces he produced.

A comparison with other workers and their output will facilitate putting each man into

the job for which he is best suited. Also, repeated trouble with the same tool, observed through the switchboard operation, will lead to technical improvements and recurring supply bottlenecks will result in better transport organization.

The best part of the "production and costing center," according to its manufacturer, is that a comparison between working time, productive time, and units produced will facilitate accurate calculations on actual production costs per item.



INDUSTRY'S "BIG BROTHER" OF THE FUTURE, an electronic device which eyes the productivity of workers, is being examined at Cologne fair.

PACKAGED BY GAYLORD YOUR PRODUCT GOES FIRST CLASS

Corrugated boxes by Gaylord deliver positive protection against the hazards of transportation. No matter how your product goes to market—Gaylord corrugated gives assurance that it travels first class . . . and looks the part.

In any language, Gaylord boxes speak for themselves. So call in your G-man today . . . he talks your language.



GAYLORD
CONTAINER CORPORATION



HEADQUARTERS, ST. LOUIS
PLANTS COAST TO COAST

DIVISION OF **Crown Zellerbach Corporation**



O.E.E.C. Member Nations Raise Metals Production

Paris—Members of the Organization for European Economic Cooperation and associated countries produced 53,613 metric tons of pig-lead in September—a gain of 11% over the same period last year.

Organization members also produced 70,789 metric tons of refined zinc in September, a 6% rise over September 1958 production. This was a drop, however, of 1,186 tons when compared to Aug. 1959.

WHERE-TO-BUY

National purchasing section for new equipment, service, and merchandise

SPACE UNITS: 1-6 inches.

RATES: \$17.15 per advertising inch, per insertion. Contract rates on request. Subject agency commission and 2% cash discount.

**TECHNICAL
SALES CORPORATION**
CHARTS
FOR ALL YOUR RECORDING
INSTRUMENTS
Circular • Strip •
"Specials"

189 VAN RENSSLAER ST., BUFFALO 10, N. Y.

This WHERE-TO-BUY section is a special classification for advertisers desiring advertising of new equipment, services or merchandise in space units smaller than the minimum run of book display space. Space is available in this section in units from one to six inches. For low rates, Write:

PURCHASING WEEK
POST OFFICE BOX 12
NEW YORK 36, NEW YORK



Laminate Trimmer

Compact

Capable replacement for rough and bevel cutters; trimmer is designed to produce standard 22 deg. bevel. Trimmer is compact, held like a jackknife, and can be operated by left as well as right-handed persons for production work on cabinets, sinks, and furniture.

Price: \$78. Delivery: Dec. 1.

Black & Decker Mfg. Co.,
Towson 4, Md. (P.W., 11/16/59)



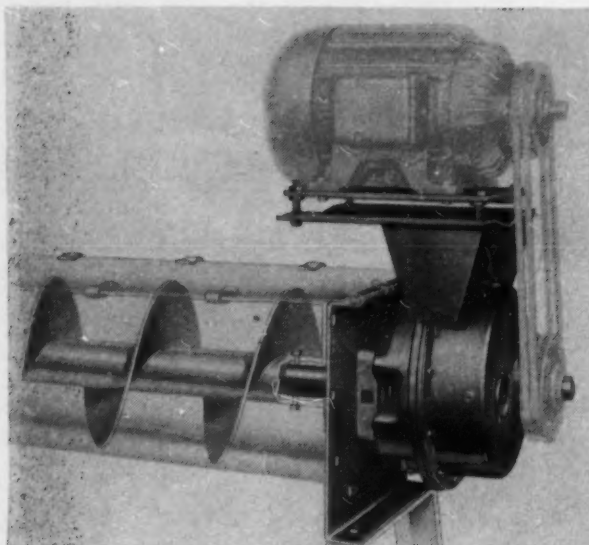
Hardness Tester

Ruggedness

Production line and laboratory can use tester to check hardness properties of cutting tools, watch springs, surgical needles, sheet metal, plastics, etc. Movable stage will take loads from 25 to 1,000 grams, up to 2½-in. long, for analysis by rigidly mounted, high powered microscope. Length of hardness indentations can be measured directly in microns; load application time can be varied from 3 to 30 sec. by controls located below and away from working area.

Price: \$1,250. Delivery: Jan. 1.

American Chain & Cable Co., Inc.,
929 Connecticut Ave., Bridgeport 2, Conn. (P.W., 11/16/59)



Helical Gear Drive

Screw Conveyor Type

Basic drive consists of reducer with removable drive shaft and seal housing that can be combined with 8 standard trough ends and motor mounts. Comes in 6 sizes, with 4 gear ratios to service all conveyors requiring ½ to 30 hp. Choice of seals to suit conveyed material.

Price: \$212 to \$848. Delivery: immediate.

Falk Corp., Box 492, Milwaukee 1, Wis. (P.W., 11/16/59)



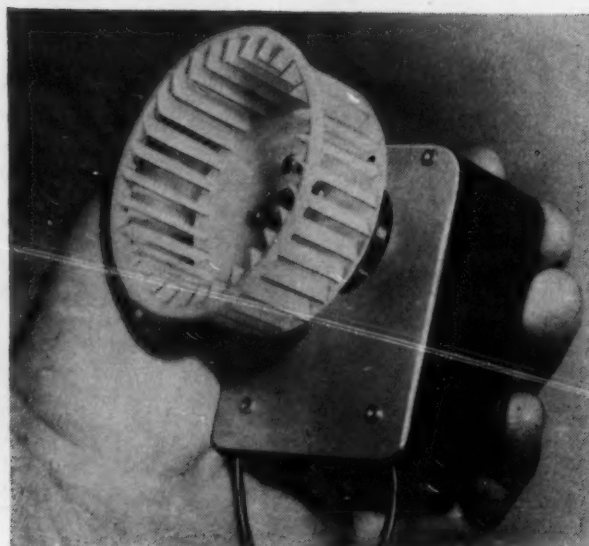
Nitrogen Dioxide Detector

Industrial Safety

Chemically treated glass tube and aspirator bulb combination provides rapid, on the spot measurement of toxic (5 parts per million) concentrations. Length of stain on tube caused by reaction of nitrogen dioxide in air with impregnated chemical can be read on scale from ½ to 50 parts per million. Metal cleaning, arc welding, engraving, and mine work are exposure areas where the detector could be used.

Price: \$45. (\$5 for set of 12 tubes). Delivery: Nov. 16.

Mine Safety Appliances Co., 230 N. Braddock Ave., Pittsburgh 8. (P.W., 11/16/59)



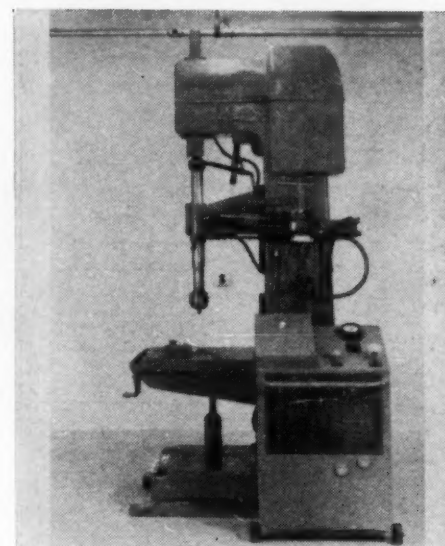
Fractional Hp. Motor

Sealed-In Lubrication

Motor is guaranteed to run 5 years without oiling. Built to produce 1/750 to 1/85 hp. in -10 to +250 F, motor is used to circulate air inside home and display freezers, cools electronic data processing machines, and operates liquid circulating pumps in machines, etc.

Price: \$2.25 to \$3.50. Delivery: 4 wk.

Howard Industries, Inc., 1760 State St., Racine, Wis. (P.W., 11/16/59)



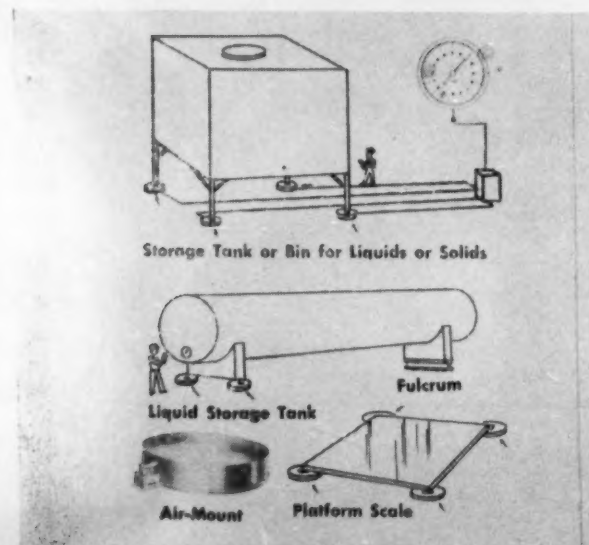
Drill Press Feeder

Automates Old Presses

Unit consists of power transmission arm and console that houses control valves, hydraulic tank, and pump. It will provide variable and quickly adjustable approach speeds, slow-down for work entry, return speed and working thrust for drill presses having up to 1½-in. capacity in steel. Unit, mounted on wheels, may be moved from press to press. Two general sizes of units are available; each installation is tailored to the particular drill press to be automated.

Price: \$750 to \$875. Delivery: 4 wk.

Beckett-Harcum Co., Inc., 985 W. Locust St., Wilmington, Ohio. (P.W., 11/16/59)



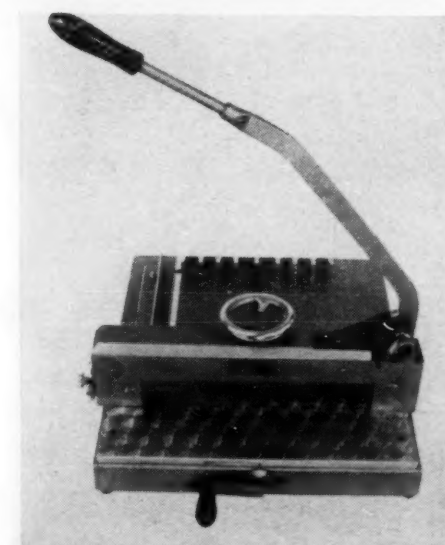
Weighing System

Easy to Install

Small load-cell, placed under each leg of product container, automatically produces pneumatic signal on remotely located meter. Available in 3 sizes for loads from 0-300 lb., 0-180,000 lb., and 0-200,000 lb. Has repeatable accuracy of better than 1/10 of 1%.

Price: \$135. Delivery: 3-4 wk.

Weber Air-Weigh Co., 13845 Elmira Ave., Detroit 27, Mich. (P.W., 11/16/59)



Paper Cutter

Easy-To-Operate

Machine, designed for office and duplication department needs, can cut 5,000 sheets to required size in 10 min. Available in 14 and 18-in. sizes, with all-metal frame construction and front wheel calibrator that adjusts to divisions of ⅛ in. The 18-in. model can cut a thickness of 3¼ in. (over 480 sheets of paper). Easy-to-read and operate side guide and back gage permits nonprofessional to cut and trim large quantity of paper.

Price: \$269 (14 in.), \$389 (18 in.). Delivery: immediate.

Michael Lith Sales Corp., 145 West 45th St., N. Y. 36, N. Y. (P.W., 11/16/59)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.

November 16-22

Product Perspective

What's Ahead for Metals

George S. Brady, nationally known materials expert, author of "Materials Handbook," and PURCHASING WEEK consultant, has written this week's Perspective. He focuses on the long-range metals situation.

With the increasing per capita consumption of metals and a rapidly growing population, statisticians have dire forebodings that we face an eventual shortage of even the common metals. What of this shortage? When will it come?

Innumerable examples could be given of dire prophecies that did not happen. More than 18 centuries ago, Decimus Juvenalis wrote that he was fearful that the increasing use of iron would exhaust the supply. At that time, AD 95, probably only a few thousand tons of iron were consumed annually in the whole empire, but it was expensive and hard to get. There was no blast hot enough to melt iron and no refractories for crucibles. Only very high-grade ore could be reduced in a blast to sponge iron and then hammered to shape. The prophets did not foresee new methods to make use of other ores.

Getting down to our own times, the Annual Report of the Bureau of Mines for 1920 was fearful of a shortage of sulphur. The report stated that only three deposits in the United States were capable of furnishing sulphur. "The crop of sulphur is exhaustible and cannot be replaced," the report said, "consequently the supply should be conserved." In that year 25% of the world production of sulphur was coming from pyrites, and Sicily was the only important producer of elemental sulphur.

Statisticians did not visualize that new methods of extracting underground sulphur would change the situation within a few years. And now, if we ever need more than can be extracted from the ground, there are 1.75 lb. of sulphur in every ton of sea water.

In 1920 the total outlay for research was only \$20 million. In the United States this year total government and industry expenditures for research and development are estimated at more than \$10 billion. Because of the exacting requirements for advanced types of aircraft, rockets, and electronic products, much of the research is aimed directly at new and better materials.

We are constantly uncovering new ore sources, but if we ever run out of these there are in the United States alone fabulous quantities of low-grade ores that the metallurgical plants have not found profitable to work. Research into extraction methods for the newer rare metals—yttrium, samarium, and a host of others now no longer rare—have developed new ion exchange, chemical, and electrolytic methods that make it possible to extract, not merely one, but sometimes as many as ten metals from rocks that geologists have never classified as ores.

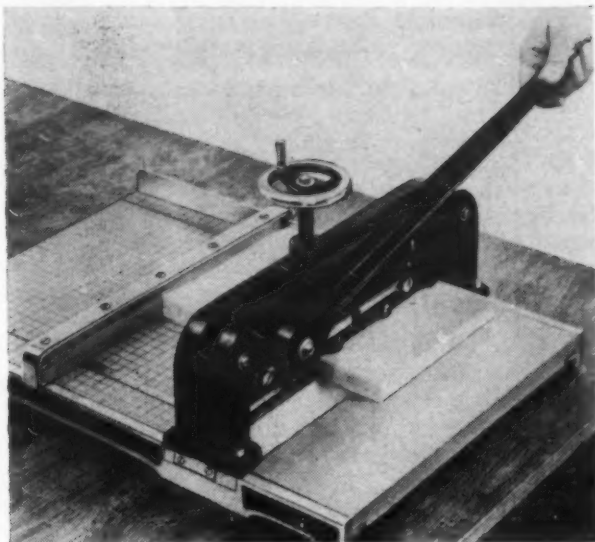
The Appalachian Range from Canada to Georgia is a mineral-collector's paradise. The time can come when that mountain range may be dotted with continuous-process chemical plants that will put the rocks and earths in solution and extract the many metals. Improved refinements in metallurgical processing now has made it possible to use ores with less than 1% of metal content, but new chemical methods can extract metals that are present to the extent of only 0.01% of the oxide.

In sea water we have another vast storehouse of metals. A ton of sea water contains 55 lb. of common salt, 2.54 lb. of magnesium, and no less than ten other metals in tangible quantities. And a cubic mile of sea water weighs 4.75 billion tons, with 300 million cubic miles available. We get magnesium from sea water relatively easily because it contains 0.13%, but we also extract bromine, and the bromine content is only 0.0066%. We extract iodine easily from sea weeds that pick up the iodine from the water which contains only 0.000005%.

The new government water-desalting plant at Freeport, Texas, which produces a million gallons of fresh water a day from sea water, leaves a residue brine with four times the normal sea-water concentration of metals. There are those who will say that extracting metals from low-content rocks and from sea water is only a mad dream. But only a few years ago when Svante Arrhenius proposed the theory of ions and the ionization of solutions, the great English scientist Lord Kelvin ridiculed the idea as "a web of naked fancies."

The call for ultra-pure metals for the electronics and atomics industries has shown that we can now refine metals to purities of only a few millionths parts of undesirable elements, and we now have no difficulty in making additions of desirable elements to as little as 0.005%.

Of course, purifying a metal is not the same as saving and extracting the residue, but the chemical industry today can almost claim that it can extract anything from anything. We are on the way, and it is no idle dream to believe that the billions of tons of metals that exist in the minerals not now classed as "ores" will soon be available to us. We can safely conclude that the "dire shortage" of any metal is not even a probability.



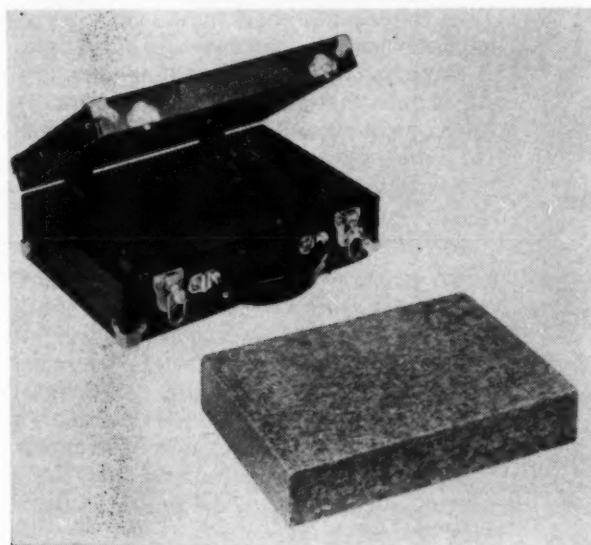
Paper Cutter

Table-Top Operation

Cutter platform is made of hardwood and blade is of hardened and ground special tool steel; capacity of 300 sheets up to 14½ in. in width. Complete cutter weighs 56 lb. and does not require special stand. Equipped with safety guard, metal inserts, ruled table, and side guide.

Price: \$139.50. Delivery: immediate.

Douglas Homs Co., 326 Jackson St., San Francisco, Calif. (P.W., 11/16/59)



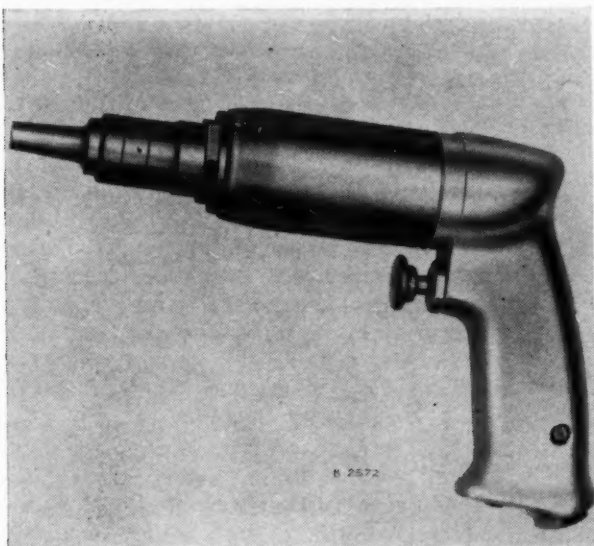
Granite Surface Plates

Layout Work

Line of toolmaker's flats, 8x12x2 in., finished to surface accuracy of 0.0001 in. for layout work and quick checking of small parts in plant and factory. Sturdy, leatherette covered, felt lined cases are optional for protection of flats when not in use.

Price: \$20. Delivery: immediate.

Herman Stone Co., 1860 N. Gettysburg Ave., Dayton 27, Ohio. (P.W., 11/16/59)



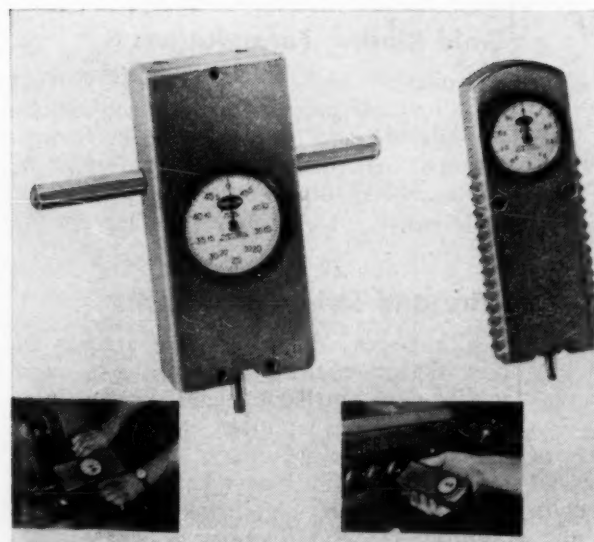
Screw Driver

Air-Powered

Dual-speed throttle permits easy screw starting at low speed and full speed for quick, smooth driving once screw is started. Air strainer protects motor from dirt and attached muffler reduces exhaust noises without loss of power.

Price: \$155. Delivery: immediate.

Ingersoll-Rand Co., 11 Broadway, N. Y. 4, N. Y. (P.W., 11/16/59)



Push-Pull Gages

Accurate

Gage tests compression and extension of forces from same end of instrument and is accurate in horizontal or vertical positions to within ½ of 1% of maximum capacity. Capacity of gages in photo varies from 1 to 50 and 50 to 250 lb. Dial numbers are in two colors to distinguish between push, pull readings.

Price: \$65 (50 lb.), \$195 (250). Delivery: 2 wk.

John Chatillon & Sons, 85 Cliff St., N. Y. 38, N. Y. (P.W., 11/16/59)

Your Guide to New Products

(Continued from page 19)



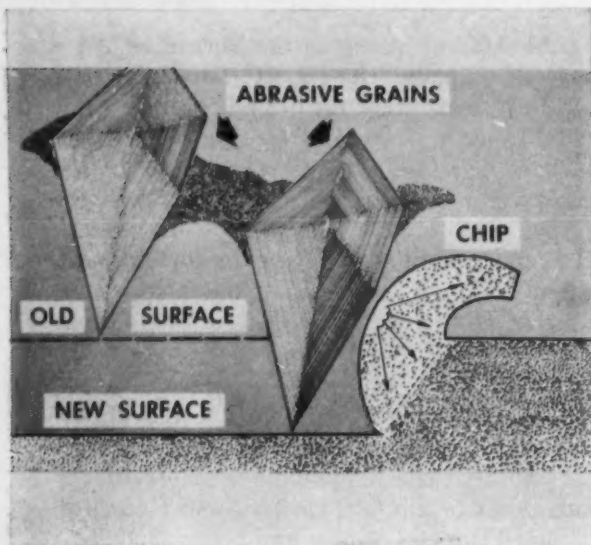
Electric Stapler

Continuous Stapling

Staples are automatically driven when work is inserted against combination back gage and switch release. Unit holds 250 standard 1/4-in. staples and has capacity of 36 sheets of 16-lb. bond or mimeograph paper. Suited for continuous stapling operations in office or on production line.

Price: \$94. Delivery: immediate.

Bostitch, Inc., 2012 Briggs Dr., East Greenwich, R. I. (P.W., 11/16/59)



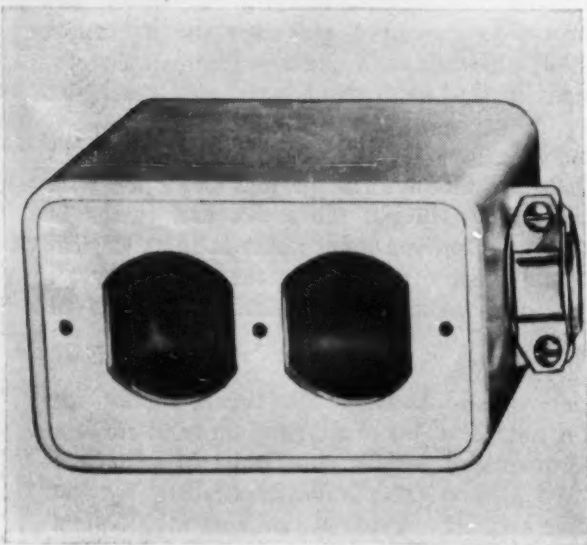
Coolant

For Grinding Wheels

Wheel is dipped in coolant which coats pore surfaces with thermal conductor to diffuse heat throughout wheel, prolonging wheel-life. Will not affect balance of wheel or wash out. One gallon will treat 6 14-in. wheels used in manufacture or sharpening of cutting tools.

Price: \$7. (gal.). Delivery: immediate.

King Graphite Products, Inc., 21949 S. Telegraph Rd., Trenton, Mich. (P.W., 11/16/59)



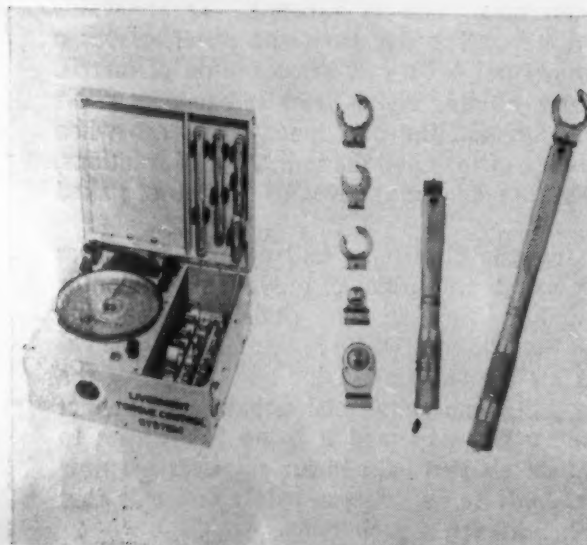
Portable Outlet Box

Fits Standard Receptacles

Permits maximum amount of flexibility because all standard 2 or 3-wire, 10, 15 or 20 amp. receptacles will fit into back and front cover plates. Provides multiple outlets in assembly lines, construction work, movie and TV studios; yellow color gives maximum visibility.

Price: \$6.50. Delivery: immediate.

Daniel Woodhead Co., 15 N. Jefferson St., Chicago 6, Ill. (P.W., 11/16/59)



Wrench Kit

Interchangeable Heads

Kit permits one wrench handle to do work of many conventional wrenches by using interchangeable heads from 1/4 to 3 in., in torque values up to 1,600 in. lb. Includes analyzer and adapter to allow for accurate setting and testing of various wrench types.

Price: \$289.50 (less heads), \$3.45 to \$6.95 (heads). Delivery: 30 days.

Richmont, Inc., 922 S. Myrtle Ave., Monrovia, Calif. (P.W., 11/16/59)

Profitable Reading for Purchasing Agents

New Books

How To Cut Your Insurance Costs. Published by Public Relations Department, American Mutual Liability Insurance Co., Wakefield, Mass. Price: \$1.00.

This book is a record of a special conference between editors of the McGraw-Hill publications and insurance specialists from American Mutual, Mutual Boiler & Machinery Insurance Co., and the Associated Factory Mutual Insurance Companies, at which ways and means for reducing insurance costs, by line of insurance, were discussed.

Management in Industry. By Claude S. George, Jr. Published by Prentice-Hall, Inc., Englewood Cliffs, N. J. 585 pages. Price: \$10.00.

This new comprehensive and practical study provides a basic guide to the managerial function with details on new concepts and processes that can be of great value to the industrial P.A. Linear programming, data processing, equipment purchasing and materials handling are only a few of the topics covered that will be of specific interest.

The chapter on purchasing materials is one of the best general buying guides available. The author discusses and advocates the purchasing department as "an integral part of the top management team." He also delves into all the specific functions that make up modern purchasing.

The chapter on controlling inventory also will be of great value, especially those sections on standard orders, control accounts, inventory control records and quantity standards.

From the Manufacturers

Phosphor Bronze Rod

Gives technical data on phosphor bronze including physical, mechanical, and fabricating properties. This alloy of copper, lead, tin, and zinc said to be particularly adapted to applications requiring corrosion resistance, low-temperature performance, antifrictional properties, etc. **Bridgeport Brass Co., Bridgeport 2, Conn.**

Industrial Maintenance Equipment

Catalog No. P-g. (24 pages) Describes rams, pumps and hydraulic shop presses. Gives information on installing and removing gears, bearings, pulleys, shafts, etc. Also describes heavy-duty industrial wrenches. **Owatonna Tool Co., 279 Cedar St., Owatonna, Minn.**

Free-Piston Pump

(4 pages) Gives information on air-operated pump that is said to handle anything from molten metals to ice cream. Pump continues to operate while partially disassembled for cleaning or maintenance. **Crossley Machine Co., 308 Monmouth St., Trenton 9, N. J.**

Variable Resistors

(24 pages) Contains charts and technical data on precision wire wound and composition variable resistors. Discusses such subjects as: characteristics of resistance wire, temperature coefficient interpretation, test results of company's line of variable resistors, etc. **Reon Resistor Corp., 155 Saw Mill River Rd., Yonkers, N. Y.**

Isotopes

(12 pages) Describes methods of radiographing all kinds of industrial products, giving advantages of isotopes in radiography. Contains a chart that shows

typical exposure time required to radiograph various materials with isotopes plus aids in solving the half-life problem of isotopes without downtime on the unit. **Pickler X-Ray Corp., 25 South Broadway, White Plains, N. Y.**

Carbide Burrs

Catalog CB-59. (12 pages) Describes 14 solid carbide burrs for use with power hand tools and flexible-shaft machines. Burrs are available in three or four shank diameters. Catalog also includes size, application, and price information. **Thomas C. Wilson, Inc., 21-11 44th Ave., Long Island City 1, N. Y.**

Precision Measuring Instruments

Catalog No. 25 (96 pages) Discusses precision measuring tools and instruments such as micrometers, depth gages, speed indicators, protractors, radius dressers, etc. Subjects covered include optical measuring instruments, gear testing equipment, machine tool specialties, etc. **Scherr-Tumico, 200 Lafayette St., New York 12, N. Y.**

Exhaust Hoods

Bulletin 270-E2A, Vol. 2. (28 pages) Gives the use of exhaust hoods in foundry shakeouts, melting furnaces, grinding and abrasive sawing, sand handling, etc. Includes information on a typical foundry dust control system. **Dept. PD, American Air Filter Co., Inc., 215 Central Ave., Louisville 8, Ky.**

Strapping Machines

(16 pages) Describes models of automatic packaging machines using both steel strapping and wire. Includes weight, length, and configuration data on steel strapping of nine standard gages and various widths. Also gives information on hand strapping of packages of irregular shapes that make automatic machines impractical. **General Strapping Corp., 100 Park Ave., New York 17, N. Y.**

Safety Glasses

Catalog #S-8582. Gives information on company's line of ultrascopic safety glasses. Includes construction facts, various types available, recommended uses. **American Optical Co., Safety Products Division, Southbridge, Mass.**

Glass Tape Insulation

Bulletin WC-8319. Contains information on new varnished glass tape insulation. Is said to provide longer life, better handling, reduced insulation thickness and greater current-carrying capacity. Also contains specification data on new interlocked armor cable design. **General Electric Co., Wire and Cable Department, Bridgeport 2, Conn.**

Heading Wire

(4 pages) Compares the cost, corrosion resistance, and cold heading characteristics of the commonly used grades of stainless steel cold heading wire. **Universal-Cyclops Steel Corp., Station St., Bridgeville, Pa.**

Gold Plating Formulations

Bulletin 46A. (7 pages) Covers metallurgical properties and applications for low pH acid-type gold plating formulations. Includes equipment requirements, initial solution makeup, operation, maintenance, etc. **Sul-Rex Corp., Nutley 10, N. J.**

Wire and Strip Components

(22 pages) Features case studies of how design engineers cut costs through use of wire and strip metal components. Also describes major types of wire available for component construction, most popular finishes, wire sizes, threading etc. **E. H. Titchener & Co., 57 Clinton St., Binghamton, N. Y.**

Space Travel Needs Promote Greater Hydraulics Research

Chicago—"New requirements for space travel—high temperatures, high pressures, and high accelerations—are stimulating an increasing amount of industrial research in the hydraulics field," C. Charles Miesse of the Armour Research Foundation told participants at the annual National Conference of Industrial Hydraulics here Oct. 22-23.

Discussions and talks at the conference indicated that uses of hydraulics will continue multiplying in the future.

The major gripe expressed among more than 500 members present was failure of design engineers to consider all available hydraulic techniques. They claimed that engineers use conventional hydraulic methods to solve problems when a little research would uncover other hydraulic components which could do the job better and more economically.

General Motors' Robert Van House talked about "hydraulics in future highway transportation." Using G.M.'s Firebird III turbine car to illustrate what has been done, Van House described an automatic car and automatic highway which uses hydraulics to control speed, direction, and braking. The driver of Firebird III controls all motion of the car with one hand by moving a short "joy stick"; hydraulic muscles do all the work of steering, braking, and accelerating and provide the driver with a "feel of the road."

Heavy Traction Drives

Paul C. Mortenson, of Vickers, Inc., described heavy vehicle traction drives that use hydraulic pumps and motors to apply power to each wheel. Pullman-Standard Co. uses this drive in its 2-story high Travelift crane which picks up entire highway trailers and puts them on railway flat cars. Each of the machine's four wheels is powered by a hydraulic motor, eliminating costly and bulky mechanical power transmissions, (see P.W., Oct. 5, '59 p. 9).

New Spinning Machine

A revolutionary new power spinning machine was described by Garrett A. Visser, of Midwest Automation, Inc. The spinning machine, which now is turning out missile nose cones, uses hydraulic muscles to move both the work and the forming rollers; manual operation is needed only to operate the hydraulic valves that control those cylinders.

In contrast, conventional spinning machines use manpower to hold the forming tool and exert pressure to form the work. Visser's machine can be adapted readily to tape control. Because only two or three valves give needed control, a program tape could be made to turn out parts automatically.

Displacement Pumps

Variable displacement pumps were discussed by Charles O. Breitsprecher of Racine Hydraulics & Machinery, Inc. This new type pump got its start in guided missiles (it does the same job as a constant displacement pump plus two valves). Breitsprecher claimed variable displacement pumps are among those items that design engineers often overlook when developing a hydraulic servo-mechanism. By eliminating two valves, these pumps save both space and money.

The N.I.H.C. meeting is held annually, and the 1960 meeting tentatively is scheduled for Oct. 20-21 in Chicago. The meetings are sponsored by Illinois Institute of Technology and Armour Research Foundation.



POLYETHYLENE BUFFERS take up excess space in plastic vial, prevent damage to miniature bearings during their shipping time.

Aluminum Muffler to Hit the Market

Detroit—Centr-O-Cast & Engineering Co. has developed a cast aluminum automotive muffler that shows promise of outlasting the car. Plans are to put it on the replacement market by the end of the year, according to L. W. Wickson, president.

He estimates that it will cost about \$18.50 installed on a typical low-priced car, versus \$15 for the present sheet steel variety that has a life-expectancy of less than two years. The new unit, weighing about 11 lb., is 45% lighter. Wickson says that several big after-market muffler

companies are actively bidding for production rights.

Wickson doesn't expect car manufacturers to switch to the new design except perhaps for high-priced cars where cost is not a factor. He notes that car makers pay about \$4 for a muffler, whereas his design would cost at least twice that amount on this basis. The Centr-O-Cast design has a 9 to 9½ lb. aluminum content, depending upon size; the rest of the weight consists of steel tubing.

It is somewhat smaller in width than a conventional muffler.

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Southern Kraft Division **INTERNATIONAL PAPER** New York 17, N. Y.

Your Guide to New Products

(Continued from page 20)

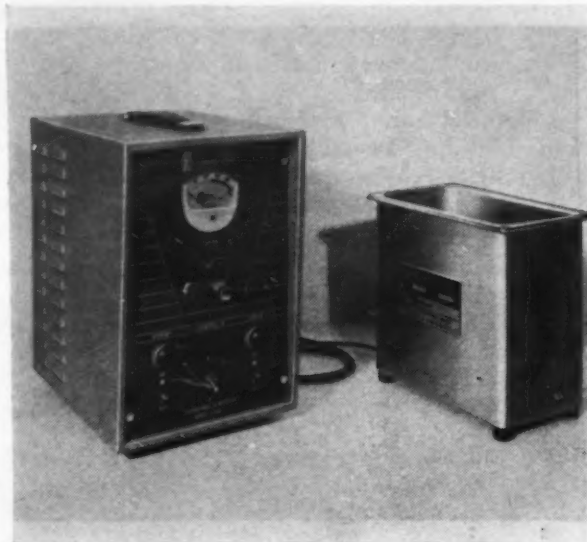


Mimeograph

200 Copies per Minute

New automatic fluid inking system enables model to reproduce 10,000 copies at peak speed of 200 copies per minute after single filling of ink cylinder. Variable speed control allows operator to select best speed for small runs and repetitive duplicating jobs.

Price: \$850 (approximate). Delivery immediate. A. B. Dick Co., 5700 W. Touhy Ave., Chicago 48, Ill. (P.W., 11/16/59)



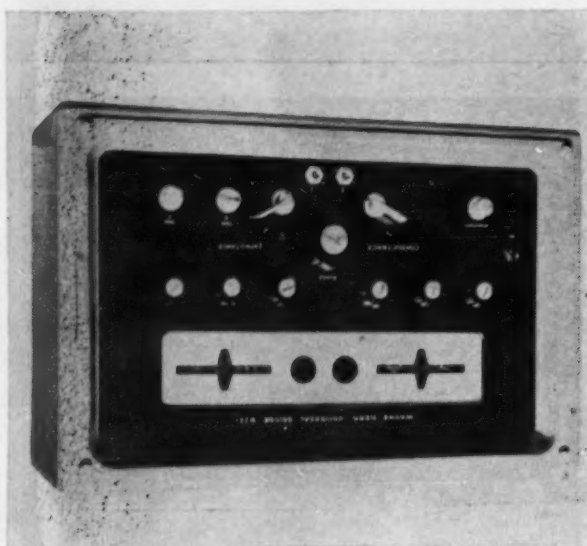
Ultrasonic Cleaner

Small Parts Use

Cleaner consists of 1 gal. heavy-gage polished stainless steel tank, deep drawn with rounded corners to facilitate rinsing of contaminants. Includes generator for power to induce electrically sound waves of high intensity to remove grease from small parts immersed in special solvent.

Price: \$350. Delivery: immediate.

National Ultrasonic Corp., 111 Montgomery Ave., Irvington, N. J. (P.W., 11/16/59)



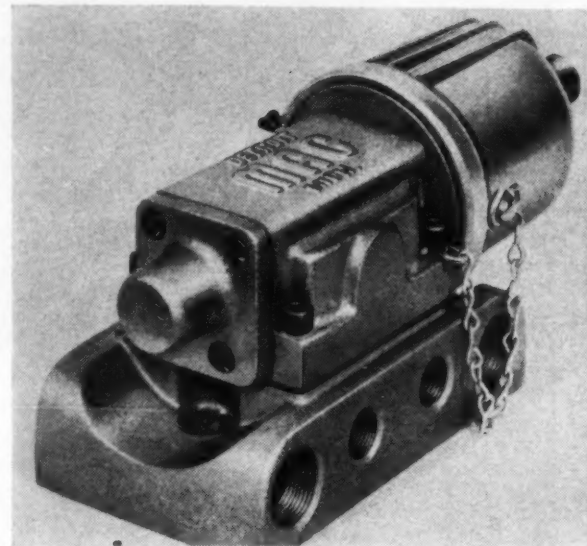
Universal Bridge

3 Terminals

Unit is ideally suited for measurement of temperature and other coefficients of components placed in ovens, refrigerators, pressure, or humidity chambers. Will measure capacitance, resistance, and inductance in 7 ranges to an accuracy of 0.1%. Dial window permits direct reading.

Price: \$880. Delivery: 2 wk.

Wayne Kerr Corp., 1633 Race St., Philadelphia 3, Pa. (P.W., 11/16/59)



Air Valve

Versatile

Photo shows 1/4-in. direct-solenoid operated air valve, part of line with standardized solenoids, and prewired bodies, and bases. Single and double-solenoid types in 3- and 4-way 5-port styles in 1/4, 3/8 and 3/4-in. sizes. Valve body simply plugs into prewired base.

Price: \$40 to \$100. Delivery: immediate.

Mechanical Air Controls, Inc., 10030 Capital Ave., Detroit 37, Mich. (P.W., 11/16/59)



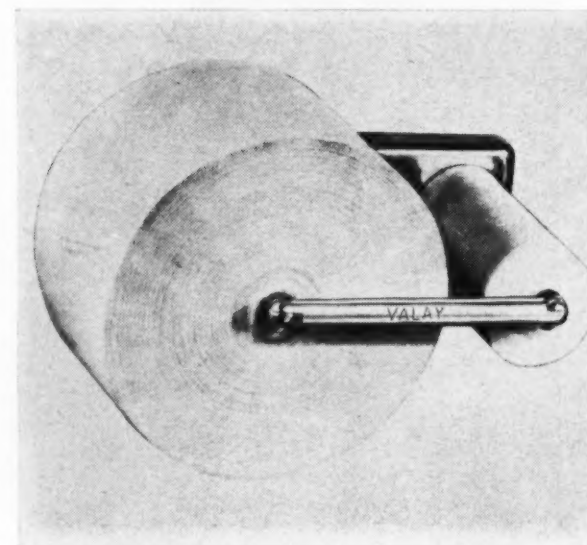
Dictation Machine

Controls on Microphone

Construction permits 24 hr. battery use or a.c. office operation. Weighs 4 1/2 lb. and has all its controls conveniently located on hand-microphone. Measurements, 8 1/8 x 6 1/4 x 1 5/8 in., permit it to be carried in suitcase.

Price: \$320. Delivery: 1 to 30 days.

Comptometer Corp., 1735 N. Paulina St., Chicago 22, Ill. (P.W., 11/16/59)



Tissue Dispenser

Holds Two Rolls

Double-hinged heavy gage aluminum and steel spindle roll holder unlocks and extends for quick installation of 2,500-sheet coreless tissue rolls. Maintenance man shifts remainder of first roll to the far side of the spindle, either roll may be used.

Price: \$1.75. Delivery: immediate.

Stevens & Thompson Paper Co., Greenwich, N. Y. (P.W., 11/16/59)

Purchasing Week Definition

Power Ratings

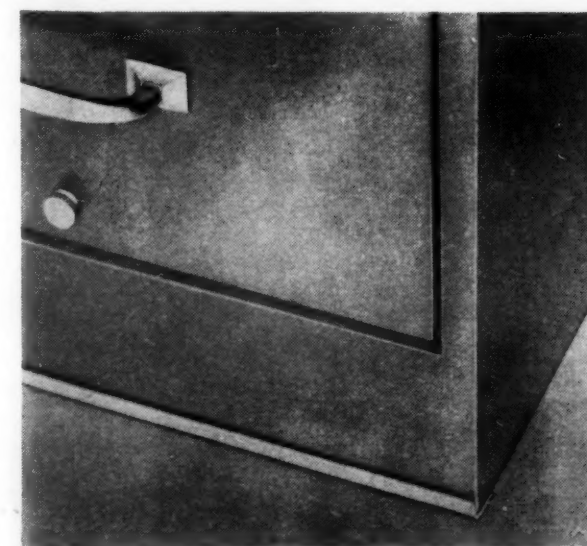
Power-Engineers use this term to indicate the amount of work performed in a particular period of time by an engine or motor. The most common units of power are the horsepower (hp.) and the kilowatt: 1 hp. = amount of power required to move 33,000 lb. 1 ft. in 1 min., or 550 lb., in 1 sec.; and 1 kilowatt = 1.341 hp. Motors, engines, and other power-producing devices may be placed in three broad categories by horsepower rating.

Integral Horsepower—This term includes all horsepower ratings more than 1 hp. Heavy-duty construction,

bus, and industrial engines are of this type.

Fractional Horsepower—Devices of this type produce less than a full hp. This term should not be applied to motors with more than 1 hp. and a fraction. Applications for fractional horsepower can be found in motor-starting devices and aircraft controls.

Sub-fractional Horsepower—Those motors which give less than 1/20 hp. are generally considered to be sub-fractional. They are used in situations where size and continuous duty are factors. (P. W., 11/16/59)



Floor Guard

Eliminates Rust

Ridged plastic strip, held by adhesive, is attached to the bottom of file cabinet (see photo) to protect office floor against stains and rust left by washing and waxing. Strips are available for letter (15 in.) and legal (18-in.) size cabinets.

Price: 75¢ set of 2 (15-in.), 85¢ set of 2 (18-in.). Delivery: immediate.

Ralph E. Baker Co., Inc., 302 Allwood Rd., Clifton, N. J. (P.W., 11/16/59)

North American Aviation Develops Metals Scale Preventive Coating

Los Angeles—A new coating has been developed by the Los Angeles Division of North American Aviation, Inc., to prevent scale formation on metal during heat treatment it was reported here recently.

The company says the new product will permit faster and cheaper heat treatment of metals. Applications include stainless steel, nickel-chrome alloys, cobalt alloys, copper alloys, and the new exotic alloys now under development by aircraft, missile, and metal products companies around the nation.

The coating, called Skalix, is applied by spraying or dipping and adheres to the metal at furnace temperatures forming an oxygen-tight seal. As the metal cools, the coating pops off by itself, and in many cases no further processing is needed, the company points out.

North American says its new coating should reduce greatly the price of parts since the previous method of heat treating metal without scale—use of inert gas atmospheres in special furnaces—was very expensive and raised the production costs of small parts considerably.



A NEW SPRAY-ON COATING developed by North American Aviation that protects metals during heat treatment is shown here "popping off."

Canadian Gypsum Hikes Output with Expansion

Hagersville, Ontario—Canadian Gypsum Co. has increased gypsum plaster production by 50%. The company says this is the first phase of a multi-million-dollar expansion program designed to double over-all plant capacity.

When the expansion is completed in early 1960, plant officials claim Canadian Gypsum will be turning out enough Rock-lath plaster base, sheetrock gypsum wallboard, and gypsum sheathing to finish walls and ceilings of 50,000 houses annually.

SEARCHLIGHT SECTION

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SURPLUS INVENTORIES . . .

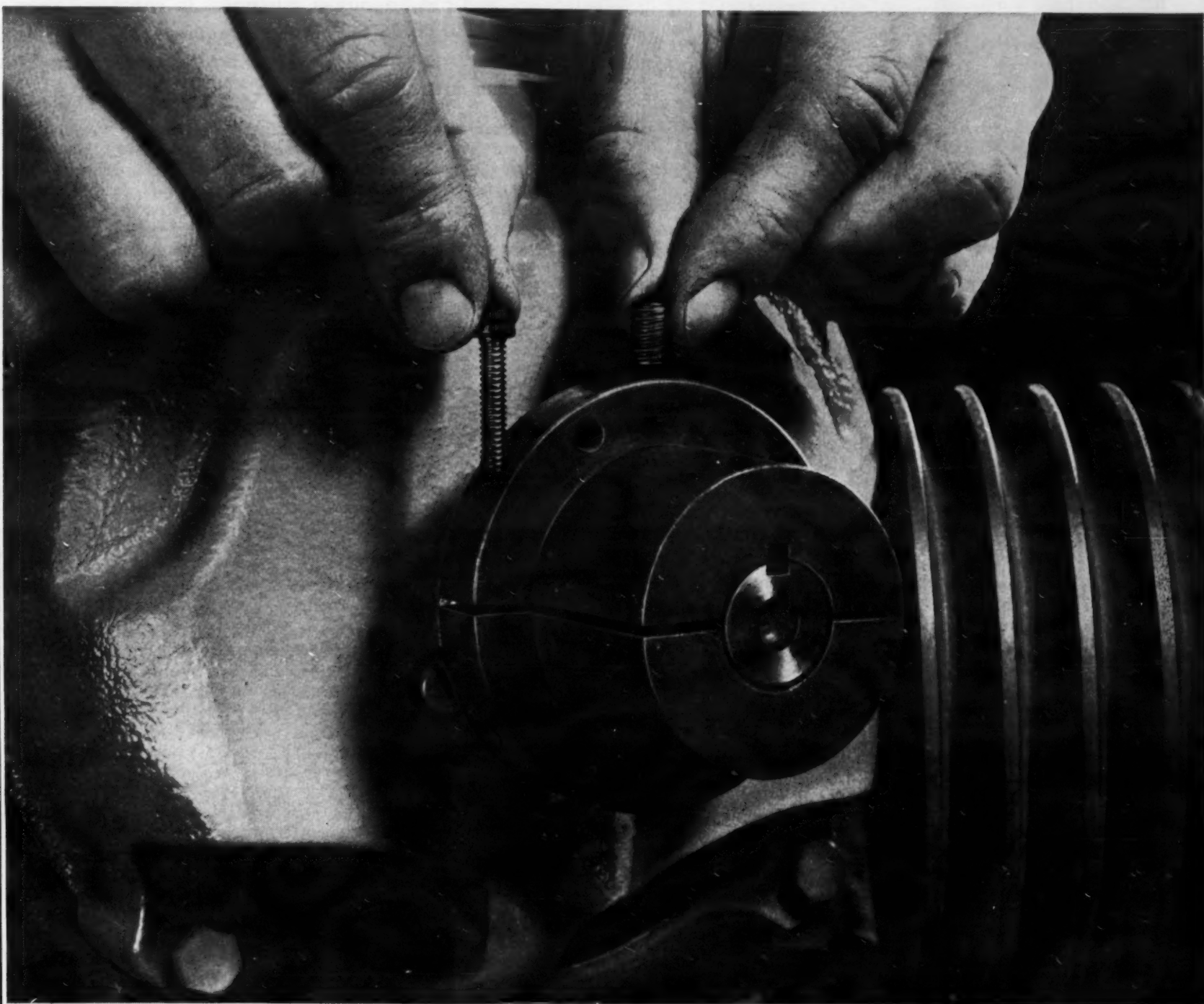
One quick and economical way to sell your surplus inventories is to advertise them in the ONLY NATIONAL WEEKLY PURCHASING NEWSPAPER . . . PURCHASING WEEK.

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Post Office Box 12 New York 36, N. Y.



Announcing Worthington QD Sheaves with the

GOLDEN SCREWS

To demonstrate to you that the exclusive two-screw design is practically worth its weight in gold, all Worthington QD (Quick Detachable) sheaves now have two golden screws.

The clamp screw simplifies installation and assures permanent alignment. You can install QD sheaves one part at a time. No heavy rim and hub combination to delicately inch into place. You just slide the hub on the shaft and permanently lock it in position with the clamp screw. Then you slide the sheave rim into position on the hub. This job is simplified because you engage the large end of the sheave with the small end of the hub. To change speed you simply install another

sheave on the hub which remains anchored to the shaft by the clamp screw.

The set screw prevents "key drift." It locks the key securely in place, avoiding the danger of the key drifting off and becoming a safety hazard. This feature is appreciated by plant operators who first brought this potential danger to Worthington's attention.

You tighten the set screw without distorting the hub. The clamp screw allows you to locate the hub on the shaft. The locked hub then permits you to tighten set screw on key without distortion.

You can get Worthington QD sheaves anywhere in the U.S. More than 350 dis-

tributors carry Worthington sheaves and Worthington-Goodyear Green Seal V-belts. For your copy of a 100-page Multi-V-Drive Manual on how to select the right sheave and V-belt write to Worthington Corporation, Section 79-15, Oil City, Pennsylvania. In Canada: Worthington (Canada) Ltd., Brantford, Ontario.



Discounters Help Lift Personal Purchase Load

"If your refrigerator light doesn't work, I'd suggest you take it up with the manufacturer. You do have a warranty."

"But I paid you for it. You bought it for me . . ."

That kind of dialogue may be all too common for the harried purchasing agent at this time of year. But the purchasing agent is finding it easy to avoid that kind of entanglement.

A recent survey conducted by PURCHASING WEEK indicates that perhaps the one most striking reason that the purchasing man can expect lasting employee-purchase peace is the rapid rise of the discount house.

Many companies have put a hands-off policy into effect on personal purchases (see box, right). And there are good, practical reasons for getting out of the personal-buying business. Here are some of those reasons:

A St. Louis purchasing agent says:

"A few years ago we purchased one of those super radios for an employee. You know, the kind that wakes you up in the morning with music, brews your coffee, and has a convenient outlet for your shaver . . . Well, a few days later, the employee returned it. He said it would not work. Before we sent it back we played around with it, out of curiosity. We found the only thing wrong was the employee had not taken time to read directions."

"I decided then that if I had to become Mr. Fixit, too, it was time to discourage buying through my department."

A Georgia purchasing man shows why one supplier—a wholesale hardware firm—issues

an annual letter stating that personal orders cannot be filled:

"The main reason they won't do this is because the practice leads to situations such as the one called to my attention recently. Employee A had us order him a drill from a wholesale hardware company for \$9.70. The next week he was down at the corner hardware store helping a friend pick out a drill when he came across the same item priced for \$19.70. So he said to the clerk, 'why I got that very same drill at wholesale last week for \$9.70—you're robbing him!' This doesn't exactly create goodwill for the wholesale company, to say the least."

A Detroit P.A. points out why top brass at his company steers clear of "buy-it-for-me" requests through his department:

" . . . Because it has proved embarrassing for top officials in the past, they don't ask for favors. When a vendor discovers the purchaser is a company official, he wants to give the item to him. So our people don't ask any more."

Another P.A., in the Midwest, tells what causes some employees to shop on their own:

"I quit after running into the embarrassment of working hard to get a deal for an employee,

then later I—and he—would see the same item advertised by a discount house as cheap, or cheaper, than our mutual deal. This didn't win any friends for the purchasing department."

In some cases, P.A.'s have no choice in the degree of cooperation they extend to company employees in their buying. Policy on this matter is sometimes determined by top management. And at least in Ohio, there is a law that forbids companies to purchase for employees what would normally be sold on the retail level. This is the Ohio State Trade Diversion Act.

Survey respondents indicate a wide variety of approaches in handling personal purchases and in degree of involvement by purchasing departments. These varieties boil down to 11 approaches (see box). At one end of the scale, one company encourages and invites employees to make personal purchases through purchasing departments. This involves full use of company paper and regular order processing with established suppliers. At the other end of the scale is a company that completely rules out purchasing department aid.

Here are P.A. comments and findings of the survey that shed light on the reasons and reasoning behind these policies and procedures:

One purchasing agent who actually encourages employees to use purchasing department facilities for their buying is James L. Harris of Panther Oil & Grease Mfg. Co. in Fort Worth, Texas. Says Harris, "Maybe we are a unique company, but we consider the ability to help employees save on purchasing another employment benefit, not a problem."

Harris, whose department handles over 300 employee purchase requests yearly, uses company paper on these purchases; a company check is issued for larger items with the employee making payment to the company as soon as possible.

At Panther, employees handle their own service problems on items purchased for them through Harris' department.

At Gordon Foods in Atlanta, P.A. Marvin Hamby handles personal purchases on his regular purchase order form, but only on a C.O.D. basis. "This way there is no problem for the company," says Hamby. "The company isn't financially obligated, and the paperwork is too scant to be a worry."

One West Coast purchasing

man—a paper manufacturer—buys for employees, but uses no company forms nor involves other departments. Here is his description of his procedure:

"Company paper is never used on these transactions. The purchasing man simply makes a verbal deal with a supplier. The purchased item goes directly from supplier to buyer. The bill comes in through the purchasing department (but made out to the purchaser) where it is logged and forwarded to the requestor."

A great many P.A.'s according to the survey, simply make contact with suppliers in the interest of employees. They have nothing else to do with the transaction. One P.A. in the South states this procedure simply, "We call the supplier on a friend-to-friend basis and tell him the problem."

A Midwest P.A. states his case similarly: "All we do is write a letter. In fact, we have form letters that simply state the bearer is an employee of our company and we'd appreciate all courtesies shown him."

Several purchasing men interviewed said their policy on employee purchases was based on benefit to employees, and where they could most benefit would be in buying large, costly items only. Consequently, they limited department participation in personal purchases only to the bigger items. Said a Missouri buyer, "We think a company can do a better job for employees on larger mechanical items like heating equipment, house air-conditioning, etc., through company contacts with contractors than in buying toys, appliances, and the like."

Another group of P.A.'s does not stress so much the dollar value of the purchase but solely the saving that may be affected for employees by buying through purchasing. Roy Baxter, P.A. for Eastman Products Co. in Plano, Texas, is one who follows this policy.

"If we can save the buyer at least \$10-\$25," says Baxter, "We will handle the purchase for him; for less saving than that, we don't feel it would be worth our while. We want to help whenever we can, but unless we can be an actual aid to the employee's income, we do not honor the request."

Among those companies that use the "maximum savings only" approach, the actual fixed savings vary widely. Most mentioned was, "\$50 savings or over, or we don't bother."

Several interviewed P.A.'s prefer the tough-but-human plan of buying for employees only in hardship cases. A Los Angeles P.A. describes the usual way this is done: "Purchasing at wholesale price may be offered to an employee who is undergoing financial hardships. Such an occasion happens very rarely, and when it does the item is purchased by the company for that employee. No special purchase order is drawn up."

To those P.A.'s who feel employee purchases have been a burden, perhaps the biggest boon to them has been the rise of the discount houses. Many interviewed P.A.'s reported they direct employees to discount houses (and other retail outlets) as a matter of standard operating procedure. A St. Louis P.A. points up the viewpoint of these buyers; "We have just about convinced our people that they can buy it cheaper at a discount house or a regular store. As a result, the pressure is off us."

In those companies having company stores, purchasing participation in employee buying is usually nil. P.A.'s generally report that existence of company stores automatically cuts down the number of employee buying requests to their departments. This is so even when only company products are sold in these stores. Detroit Edison Co., for one, feels its "employee special purchase program"—in which certain electric items are offered every month to employees at sizable discounts—has eliminated most such requests for use of company purchasing.

P.A.'s who handle purchases only for company executives and supervisors usually view this assistance as a fringe benefit for such employees. As buying for highly placed employees can be "touchy," most companies who do only this kind of buying have fixed procedures for "keeping the waters smooth." Says one buyer, "Terms are cash, and the item is ordered through the company. The employee pays the buyer on delivery and inspects the product in the presence of a purchasing assistant preferably."

In another company, executive drawing accounts are utilized when making personal purchases. Here, the procedure is to make a company purchase order for the item, indicating for whom it is intended. The company pays the bill, then deducts the amount from the executive's drawing account.

How 11 Companies Handle Employee Purchases

1. Process employee orders in same way as regular purchase orders.
2. Use purchase order but specify C.O.D. terms only.
3. Handle personal orders but use no company paper.
4. Contact supplier for employee—no other departmental participation.
5. Assist employees only on purchase of costly items.
6. Assist employees only when large possible savings are involved.
7. Assist employees only in personal hardship cases.
8. Direct employees to discount houses and other local retailers.
9. Limit employee purchases to company store merchandise.
10. Buy only for personal requirements of executives and supervisors.
11. Prohibit departmental participation in any and all personal purchasing.

FABULOUS "LABELS"



"Not a single label can be saved... they've been permanent waved!"

"But rain or shine, PermaFlat's fine!"

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Dennison Manufacturing Co., Framingham, Mass., Drummondville, Quebec

Purchasing Perspective

Two Lingering Worries
For U. S. Industry

(Continued from page 1)

1960 results will depend on what happens in the highly competitive metal can pricing situation, on labor costs, and on price decisions of Continental's suppliers.

• **Federal Reserve Bank economists likewise admitted confusion about the future course of prices.** To them the unknown and decisive factor remains the possible wage aftermath of a steel settlement.

AUTO SLOWDOWN—Car makers are reassuring fleet buyers. They will get preference when auto production lines speed up again.

Chevy says unfilled fleet orders will get the usual start-of-the-season priority when its assembly plants reopen. Ford fleet orders are being handled with an eye to the prevailing balance against consumer sales. Chrysler, operating at two-thirds volume, says it has yet to turn down a fleet order. Buyers of American Motors and Studebaker-Packard models apparently have no fleet delay worries as yet.

PACKAGING PLANNING—If your firm is thinking about switching to plastic containers, a hurry-up decision is called for. Continental Can—a producer of plastic containers as well as metal cans—says demand for plastic detergent bottles has expanded so far beyond capacity that next year's orders "will be a matter of allocation."

The Packaging Institute's National Packaging Forum opens today (Nov. 16) at the New York Coliseum. And packaging machinery manufacturers, who will be exhibiting the latest in packaging devices, are predicting a big surge of orders during the next 12 months from the pharmaceutical, frozen food, and cosmetic industries. Machinery makers are stressing design based on demand for higher speeds, fuller automation, and improved precision.

STEEL'S COMPETITIVE FUTURE—U. S. Steel named a new president and chief executive officer last week, picking an executive with an extensive sales, marketing, and warehousing background. Elevation of former U. S. Steel Supply chief Leslie B. Worthington to the corporate presidency from his latest post as head of Big Steel's Columbia-Geneva Division was a clear sign of the emphasis the industry is placing on marketing battles with aluminum, foreign steel, and other domestic metals and materials.

What Started as a 'Poof' in Plastic Has Grown to a Full Container Boom

(Continued from page 1)
taking place in container packaging have intrigued at least one industry executive to quip: "There'll be a lot of tin cans and glass jars missing from supermarket shelves in the not-too-distant future."

Plastic bottle makers estimate they will ship about 650 million containers this year and jump the rate to about one billion annually sometime in 1960.

"The trend is pretty well spelled out, and it's really moving rapidly," commented William O. Bracken, a Hercules Powder Co. official.

In Every Area

"I think we'll be in just about every area of the industrial container field pretty soon," he added. "Insecticide tanks, compressed gas cylinders, brake fluid reservoirs, and windshield washer solution containers are just a few of the things that lend themselves to the blow-molding technique."

Major container manufacturers said the basic reasons for the swing to plastic bottles include:

1. **Economy:** Unbreakable, non-corrosive plastic containers reduce spoilage and cut down packaging costs by permitting lighter cartons and unit dividers.

Light weight also reduces freight costs.

2. **Flexibility:** Plastic containers can be molded in any shape or color to give every product its own distinctive design and merchandising appeal.

3. **Price:** While plastic bottles still cost more than tin cans and glass jars in most sizes, prices are headed downward through increased sales volume, more efficient production machinery and methods, and lower labor costs in plastics industry than in competing industries.

William M. Cameron, executive vice president of Continental Can Co.'s Glass and Plastics Operations Group, pinpointed a problem which will become more important as plastic container applications increase.

"Already the choice of style and design of a plastic container has become a complex decision," Cameron said. "As competition gets keener, a bad guess could have drastic consequences."

The Continental Can executive explained that some of the consequences included replacement of expensive dies, and obsolescence of current container stocks, whereas in tin cans and glass jars, only label change is required.

Steel: Fast Comeback but Low Stock

(Continued from page 1)

peared well organized to speed finished shipments to warehouses and mill customers without undue delay.

But looking beyond the Jan. 27 Taft-Hartley deadline, many purchasing men voice deep concern and worry over possibility of a second steel shutdown. They were heartened, however, by government efforts last week to press the negotiations for action.

• **A. M. Kennedy, Jr.,** Purchasing Vice President of Westinghouse Electric, expressed his thoughts this way: "We don't expect more than four weeks of normal steel flow during the remainder of 1959, which will mean we'll enter 1960 with relatively small steel inventories. Our biggest concern is what will happen at the end of January."

• **G. Warner McVicar,** Rockwell Manufacturing's purchasing director, declared: "Since most companies are in the same position, difficulties among metal products manufacturers in maintaining production will continue for at least six months."

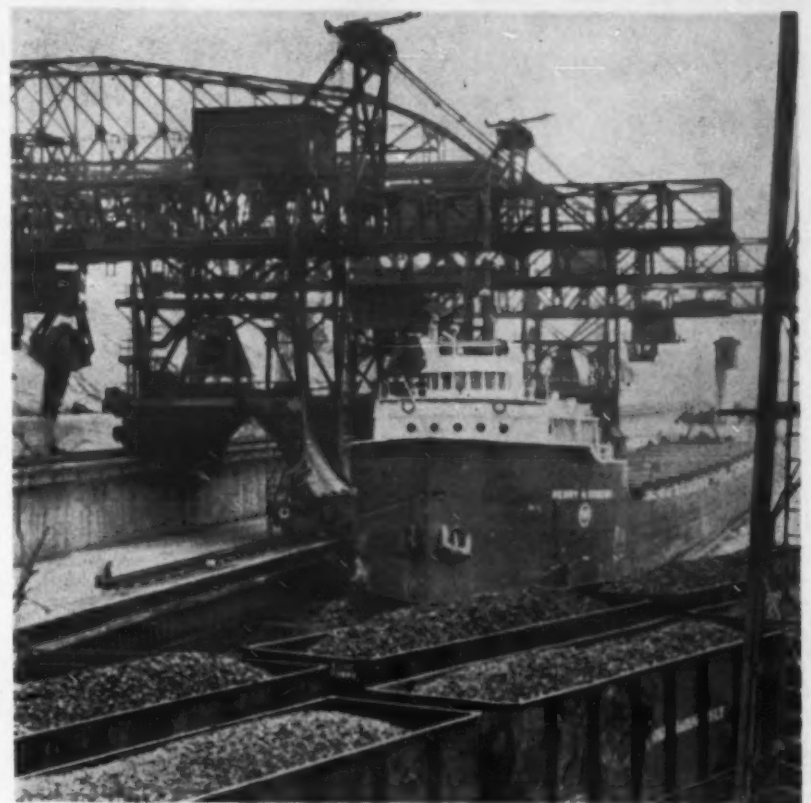
Although Rockwell so far has suffered relatively little from steel shortages, McVicar noted his company expects a 6 to 12 week delay on steel ordered before the strike and from 16 to 20 weeks on steel ordered after the walk-out started.

The first flurry of steel shipments consisted mainly of products that had been finished or partially so prior to the start of the strike. Warehouses caught in the steel shutdown also eased the strain for some customers.

But warehousemen, whose inventories had reached rock bottom on many items by last week, assured customers they expected substantial replenishment of inventories to start in two to three weeks and normal shipments in four weeks.

Here's what firms throughout the country expect:

CLEVELAND: The Industrial Fasteners Institute, reporting preliminary results of an industry survey, said most fastener manufacturers still have a six-to-eight-



FIRST ORE CARRIER to hit Chicago since July 14, the 12,800-ton Henry H. Rogers rushes raw materials through before the big freeze.

week supply of steel but nearly all have holes in their inventories and production range.

DETROIT: Auto companies and their key suppliers were in the toughest spots. Auto industry difficulties stem from the 7,000 different kinds of steel used to manufacture a low-priced car. Chevrolet estimates manufacturing will commence in about two weeks but it will be five to six weeks before the division is in full production.

CHICAGO: A sampling of major steel-using companies points to further cutbacks before quantity shipments arrive in three to six weeks. Few have hopes of getting significant quantities of new steel before January.

BOSTON: Many steel-using companies remain optimistic regarding supply replenishment during the next month and are minimizing threat of further cutbacks.

ST. LOUIS: Steel pinch here has been relatively mild compared to many other areas but

feeling prevails "It's going to get a little worse before it gets better."

KANSAS CITY: Most manufacturers appear in fair shape with basic shortages hitting hardest in galvanized sheet.

WEST COAST: Strike did not have widespread critical effect in Los Angeles area as throughout rest of country. Except for construction industry cutbacks and shutdowns have been isolated and spotty. Kaiser Steel shipments expected to ease hardship cases soon around San Francisco and other industrial locations.

MILWAUKEE: Hard-hit firms hopeful for fairly quick delivery, but production men worried by uncertainty about post-Taft-Hartley.

BUFFALO: A Steel producer sales chief warned: "A lot of customers are going to be disappointed."

PITTSBURGH: Steel customers generally encouraged by industry's relatively fast, smooth recovery pace.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Gum Rosins, CCC, Window Glass, cwt.....	.05	\$9.50	Short supply
Fancy & below, cwt.....	.05	\$9.30	Short supply
R-Salt, Paste, lb.....	.10	.98	Tight supply
Powdered, lb.....	.10	\$1.08	Tight supply
Ionones, Alpha & Beta, lb.....	.15	\$4.20	Upped costs
Copper salts, Sulfate Crystals, carload, cwt.....	.65	\$13.00	Metal boost
Sulfate, Monohydr., cwt.....	.90	\$24.00	Metal boost
Carbonate, cwt.....	\$1.45	\$36.35	Metal boost
Cement, Marquette (4 mills), Jan. 1, 1960, bbl.....	.10-.15
Copper Chloride			
Cupric, Anhydrous, crlts., lb.....	.0075	.455	Metal boost
Cuprous, pwd., crlts., lb.....	.0105	.4135	Metal boost
Palladium, Engelhard, bulk, oz.....	\$2.00	\$22.00	Tight supply
REDUCTIONS			
Geranyl Acetate, lb.....	.35	\$1.75	Competition
Gasoline, dlr. tnkwgn., Mobil Oil, New Hamp., gal.....	.018	.138	Competition
Dimethylaniline, tanker, lb.....	.02	.26	
Copra, Coast, ton.....	\$5.00	\$230.00	
Tung Oil, imported, tanks, lb.....	.005	.225	
M-Methylaniline, tankcars, lb.....	.08	.60	Attract demand
Carlots, lb.....	.07	.62	Attract demand
Gasoline, Mobil, eastern Mass., dlr. tnkwgn., gal.....	.008	.118	Competition
Fir Plywood, sanded, 1/4" thick, thou. sq. ft.....	\$4.00	\$64.00	Cut demand
Phenylpropanolamine, Fisher Chem, 1,000-lb. lots, lb..	.50	\$9.50	Prod. econs.
Mercury, 76-lb. flask.....	\$2.00	\$219.00	Good supply
Gum Turps., so., gal.....	.01	.525	

Reuther Outlines Unions' Offensive

Major Organization, Collective Bargaining Targets Are Textiles, Oil and Chemicals

Washington — The nation's industrial unions are aligning for a "new offensive" in organizing and collective bargaining. Prime targets will be the textile, oil, and chemical industries, and state and local governments.

Auto Workers President Walter Reuther disclosed details of the new plans last week at the A.F.L.-C.I.O.'s Industrial Union Department (I.U.D.) convention here.

He intends using the I.U.D., with 68 unions and 7.2 million members to "get us off dead center . . . and onto the offensive." Reuther proclaimed that the parent A.F.L.-C.I.O., led by George Meany, had failed in the job. When the organizations merged in 1955, he told the 400 delegates, "we mobilized the enemy, but we failed to mobilize ourselves."

While Reuther laid out plans

for the Industrial Union Department to step deeper into bargaining and organizing, however, he made certain that it wouldn't offend Meany and the parent A.F.L.-C.I.O. He appeared determined to avoid any split within the labor federation while the unions concentrate on management.

In the past, organizing has been the exclusive territory of the A.F.L.-C.I.O. The I.U.D. has specifically avoided duplicating this process—in part to avoid tangling with rival craft unions within the federation.

However, under the new Reuther offensive, the Industrial Union Department is developing its own program to pinpoint organizing targets for the production unions; to coordinate joint union membership drives; to provide technicians for industrial union affiliates and to help train

organizers in the new methods.

In another move, the I.U.D. also stepped up its plans for "centralized" bargaining, where unions dealing with common employers or in the same industries can combine their strategy—and even their contract demands. "More and more," Reuther warned "industry is getting centralized directions . . . we need maximum coordination and co-operation."

In putting his I.U.D. into the forefront against management, Reuther rejected demands of some industrial union leaders that he go even farther. He led the defeat of resolutions brought to the convention that would establish the I.U.D.'s own department of organizers—paralleling the A.F.L.-C.I.O. organizers—and establish a central strike fund.

The strike fund proposal, offered by the International Chemical Workers, would have been a \$2.5 million-a-year collection to be paid out to unions which are on strike at least 60 days.

Congress Ponders Tax Cuts While Keeping Revenues Up

Washington—Congress opened the door today for suggested revisions of the present tax setup in hopes of finding some way to cut rates on personal and corporation income.

The big problem: maintaining present revenues while reducing tax rates.

More than 80 witnesses will appear before the House Ways and Means Committee in hearings now getting under way. The idea-tapping sessions will last through mid-December.

Committee Chairman Wilbur D. Mills (D.-Ark.) has his own idea of how it might be done. He thinks Congress should consider writing a new basic revenue act that would add up to \$55-billion to income subject to taxation. The added revenue from this source, he argues, could be used to reduce the rates.

Could Be Lowered

Joseph A. Pechman, one of the tax economists summoned by Mills to testify, estimates that personal income tax rates could be lowered one-third under such a system; the lowest bracket would be 14% instead of the present 20%, and the highest bracket would stop at 60% instead of the present 91%. But it's not as simple as the bare arithmetic indicates.

Income that now escapes taxation does so because Congress has granted it special status. Individuals can deduct the interest on a home mortgage from taxable income, for example. Income from state and local government bonds is excused from taxation. Oil and mining companies can deduct an allowance for depletion of their holdings.

Would Cause Storm

It would be impossible to go through the tax law trying to knock out such provisions without raising a major political storm. Many of the economists summoned by Mills, however, will testify that he is at least on the right track and that Congress should seriously consider broadening the tax base. Tax lawyers and accountants among the witnesses are more evenly divided.

If the committee does anything, it will not be done hastily. Legislation to carry out the Mills program will not be offered until next year at the earliest and possibly not until 1961. Mills and his supporters on the committee consider the present hearings as exploratory and educational.

Corporate Tax Reduction

Reduction of corporate taxes has a high priority with many of the witnesses. William Fellner, Yale University economist, believes a cut should be included in any tax revisions aimed at stimulating growth. Neil Jacoby, dean of the school of business administration at the University of California in Los Angeles, says the present 52% rate makes the government "in effect the major stockholder of every business corporation of appreciable size." Joseph Sneed, professor of law at Cornell University, recommends that Congress wipe out the corporation tax altogether.

Such proposals will remain only far-off goals, however, unless the committee wants to tackle the thorny problem of wiping out the scores of special benefits now in the Revenue Act.

Rubber Makers Plead 'No Contest' In Belt Price Fix

New York—The Rubber Manufacturers Association and 10 of its members were fined a total of \$177,500 last week after pleading "no contest" to charges of violating the Sherman Antitrust Act.

The indictment specifically charged the defendants, including three of the nation's biggest manufacturers and distributors of rubber products, with conspiring to restrain trade by fixing prices in the flat belting industry.

'Consistent Violators'

The Justice Department fought to have fines totaling \$485,000 imposed, emphasizing that a number of the companies had been consistent violators of anti-trust laws.

The government, noting that "the entire industry" was involved in the conspiracy from 1949 to 1957, said that during that time flat belt prices were increased 67.5% over 1949 levels.

Flat belting is made of rubber and fabrics and is used for conveyor belting, elevator belting, and flat transmission belting. Those fined included the association; B. F. Goodrich Co.; Good-year Tire & Rubber Co.; U. S. Rubber Co.; H. K. Porter Company, Inc.; N. Y. Rubber Corp.; American Biltrite Rubber Co.; Raybestos-Manhattan; Acme-Hamilton Mfg. Corp.; Lee Rubber & Tire Corp., and Hewitt Robbins.

'Comrade' in Jest Leaves P.A. Cold

(Continued from page 1) of course, but many of the union officials who received the mailing noticed it and asked Hendricks "How come?"

Hendricks doesn't know exactly, except that the envelopes were rejects and never were delivered to the city, remaining the property of the envelope manufacturer. How they found their way to the Commies is known only to the party leaders, who aren't talking.

Many Suppositions

Best supposition is that a since-retired employee may have given them to the party, or that the party bought them from a waste paper company that purchased them from the manufacturer.

Hendricks hopes he has seen the last of the envelopes, but he can't be sure. One thing is certain: If the Commies have more of the envelopes and send out another mailing in them, Hendricks will be sure to hear about it.

F.T.C. Steps Up Robinson-Patman Enforcement

(Continued from page 1) backing off from using formal prosecution against violators of the price legislation.

As if to underline this statement, the commission announced filing of price discrimination charges against 14 leading carpet manufacturers. According to the commission, the rug manufacturers are using various volume discount systems that, in effect, discriminate against small retailers by forcing them to pay higher prices than their competitors who buy in larger quantities.

While Kintner was disclosing his task force program, the United States Supreme Court was also busy with Robinson-Patman business which could help—or hurt—F.T.C. activities.

The Court agreed to review a lower court ruling that Anheuser-Busch, Inc., did not violate the Robinson-Patman Act by cutting its premium beer prices in the St. Louis market area in 1954

while maintaining higher prices in all other sections of the country.

Anheuser-Busch said it lowered its premium beer prices in St. Louis to meet the lower priced beer of local brewers in and around the area. The Circuit Court of Appeals in Chicago ruled that the firm did not violate the price discrimination law.

If the Supreme Court sides with the lower court against the Federal Trade Commission in this case, the ruling could have wide spread effects on other price discrimination cases.

The Government, in asking the Supreme Court review, stated the lower court has turned the law around and would require a showing that St. Louis beer retailers and distributors compete with retailers and distributors in other areas of the country.

The F.T.C., in effect, charges the lower court ruling will bar any future territorial price undercutting cases, since local retailers in one area served by a national seller rarely, if ever, compete with retailers in other parts of the country.

Coming Auctions and Sales

NOVEMBER 17, 18, 19

Solar Aircraft Co., 1901 Bell Ave., Des Moines, Iowa.

WRITE, WIRE, PHONE: David Weisz Co., 840 San Julian, Los Angeles 14, or M. J. Wershow Co., 7213 Melrose, Los Angeles.

NOVEMBER 18

Bryce Originals Inc., 230 N. Clinton St., Chicago.

WRITE, WIRE, PHONE: Business Assets Corp., 643 West Roosevelt Road, Chicago. TAYlor 9-0822.

NOVEMBER 19

Middle Corporation, 1671 Hyde Park Ave., Hyde Park, Mass. (Inspection from November 16 to sale date).

WRITE, WIRE, PHONE: Industrial Plants Corp., 90 West Broadway, New York 7. BARclay 7-4185.

NOVEMBER 24

Sealed bid sale (THIS NOT AN AUCTION) of surplus government machine tools and equipment at Arawana Mills, Danielson, Conn. Inspection Mondays through Fridays until November 20. Sealed bids will be opened at 10:30 am, November 24, and recorded as of that date.

71 NEW UNUSED PRATT & WHITNEY MACHINES: 4-spindle automatic duplicating machines for glass and plastic bottle molds; 18-in. hydraulic gear grinders; #1½ deep hole drillers for such jobs as gun barrels, hollow spindles, bridge pins, boring bars, camshafts, rolls etc; automatic turbine blade airfoil grinders (grind irregular and twisted airfoil sections in a single operation, including leading and trailing edges). ALL UNITS PROCESSED FOR STORAGE, ARE CRATED, SKIDDED AND READY FOR SHIPMENT. COMPLETE DESCRIPTIONS AVAILABLE FROM General Services Administration, Utilization and Sales Division, Room 620, Post Office and Courthouse Bldg., Boston 9, Mass. Refer to Invitation No. GSI—USD—60—53. Listings also available at Arawana Mills.

Study California Produce Buying

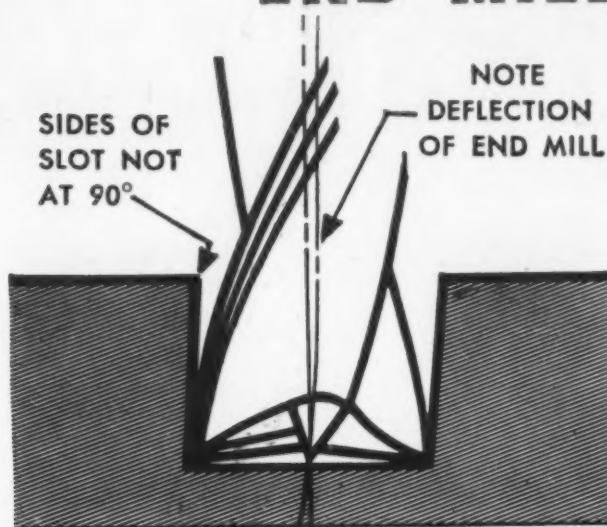
San Francisco—Charges of unfair buying practices which "smother" prices of California produce were scrutinized last week by Rep. James Roosevelt's House Small Business Subcommittee.

The committee was especially concerned about a reported practice of requiring a packer to hold stock on reserve for the purchaser, with no firm commitment.

The packer is subsequently forced to accept the price as set by the purchaser in order to get shipping instructions. If the packer refuses to hold stock on reserve initially, he can't do business with the buyer at all, according to the charges.

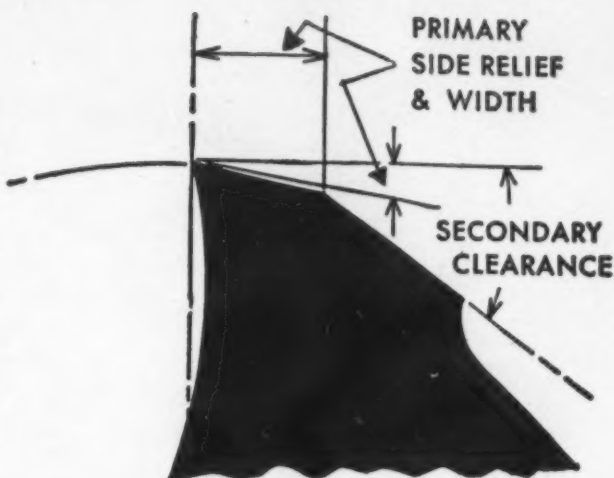
Canners' purchasing practices also came in for criticism. The subcommittee heard testimony that California tomato growers receive only 1¢ per lb. for their crop, although the retail price is 35¢ per lb.

END MILL TIPS YOU CAN USE



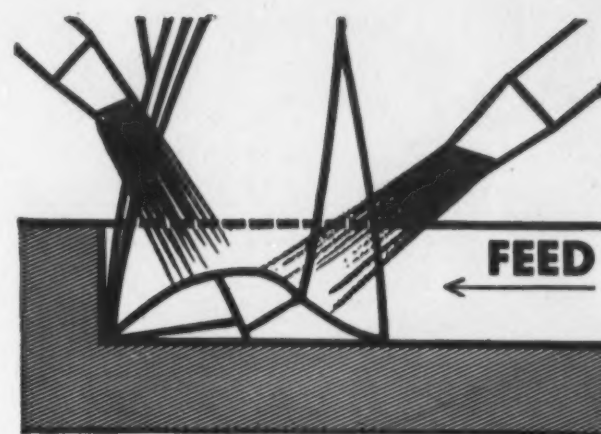
"WOBBLE"...ITS CAUSE AND CURE

Non-perpendicular sides of a slot can be caused by a worn spindle, excessive flute length, or too slow spindle speed. This "wobble" slot is actually a deflection of the end mill caused by one flute hogging into the cut. If the proper end mill with shortest necessary flute length is being used, eliminate spindle runout and increase its speed.



END MILL RESHARPENING

Always consider the material to be cut, and grind to limits recommended by the tool manufacturer. It is best to resharpen end mills to produce just enough primary relief to eliminate drag. Too much relief causes chatter... brings on rapid dulling of cutting edges. Secondary relief depends on the size of the end mill, the width of the primary relief, and the feeds being used.



ABOUT CUTTING FLUIDS

End mills require cutting fluids to protect the tool, control temperatures, and provide lubrication. Multiple streams generally provide more cooling effect than a slow moving heavy flow. Remember that present day jet cooling methods do not provide sufficient cooling because of greater tooth-to-work contact in end milling as opposed to turning operations.

FOR QUICK SOLUTIONS TO ALL YOUR DRILLING-REAMING-END MILLING PROBLEMS, SEE CHICAGO-LATROBE CATALOG No. 58, OR CONSULT A C-L SERVICE ENGINEER

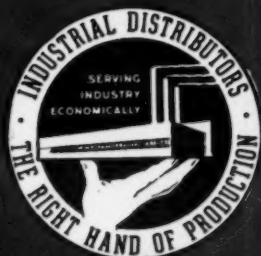
BEST TIP OF ALL . . .



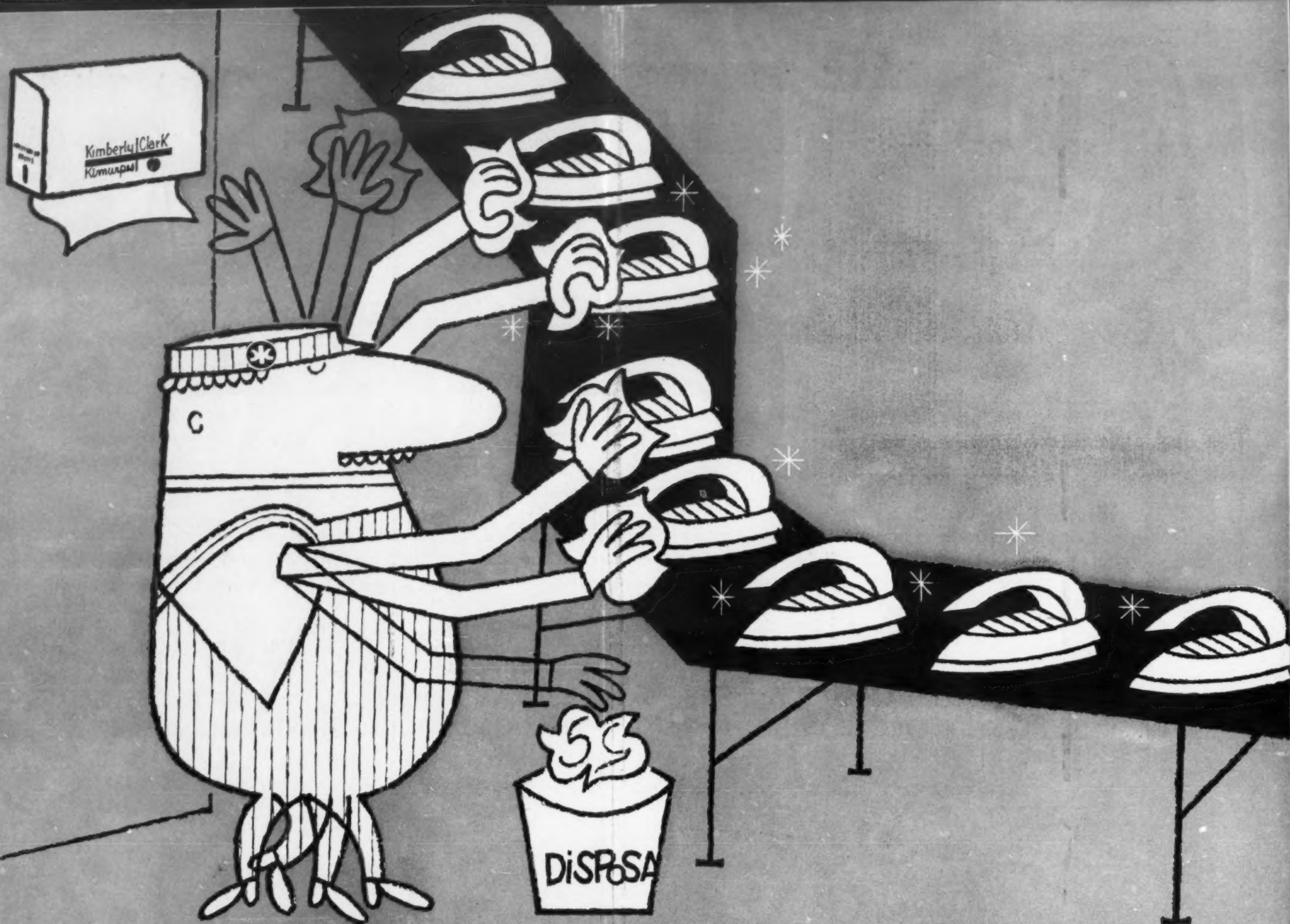
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